Middle East Technical University
Department of Economics
Spring 2024-25

ECON 201 (Section 2) - Microeconomic Theory

Instructor	**Ilhan Can Ozen**	**L**
Class Hours	Wed. 15:40-17:30 (FAUD) Friday 13:40-15:30 (FAUD)	
Room/Phone	AZ04 / 210 2022	
E-Mail	iozen@metu.edu.tr	
Office Hours	Monday(08:00-10:00)	
Recitation Hours	TBA	
TA	Can Deniz Turna(**turnac@metu.edu.tr**)	

Course Materials:

Varian, H.R. (2014), Intermediate Microeconomics with Calculus, European Edition, London: WW Norton & Company.

Bergstrom T.C. & H.R Varian (2014), *Workouts in Intermediate Microeconomics*, European Edition, London: WW Norton & Company.

Perloff, J. M. (2013), *Microeconomics with Calculus*, Boston: Pearson.

Recommended Textbooks:

Varian, H.R. (2014) *Intermediate Microeconomics: A Modern Approach*, European Edition, London: WW Norton & Company.

Morgan, W., M. Katz & H. Rosen (2006), *Microeconomics,* European Edition, London: McGraw Hill Education.

Mathis, A. M. and J. Koscianski (2002), *Microeconomic Theory: An Integrated Approach*, New Jersey:Prentice Hall.

Frank, R. H. (1997), *Microeconomics and Behaviour*, Third Edition, Boston: McGraw-Hill.

Nicholson, W. (1995), *Microeconomic Theory: Basic Principles and Extensions*, Sixth Edition, Orlando: Dryden Press.

Overview of the course:

Microeconomics relies on a small set of enormously powerful analytical tools: a constrained optimization analysis, an equilibrium analysis and a comparative statics analysis. This course attempts to help you master these tools by presenting their graphical, algebraic and logical mechanics, especially by illustrating their use in many different contexts. We will begin with an overview of the equilibrium behavior of competitive markets. Then, we will build up a model of consumer preferences and consumer choice, which can be used to derive a market demand function. Next, we will build up a model of the theory of production and firm behavior to derive a market supply function, and then will return to the concept of market equilibrium with our more detailed understanding of demand and supply in order to derive further properties of market behavior. The type of analysis we will conduct up to this point is referred to as "partial equilibrium" as it characterizes behavior in a single market. We will move beyond this and will scrutinize equilibrium when many markets exist and interact, which is referred to as "general equilibrium". Also we will derive some welfare properties of competitive markets in both partial and general equilibrium.

TENTATIVE COURSE OUTLINE

	Topics	
	Supply and Demand	Perloff Ch. 2
	Budget Constraint	Varian Ch. 2
	Preference and Utility	Varian Chs. 3-4
	Choice and Demand	Varian Chs. 5-6
	Revealed Preference	Varian Ch. 7
	Slutsky Equation	Varian Ch. 8
	1st Midterm Examination, November 17, 2016	
	Technology	Varian Ch. 19
	Profit Maximization	Varian Ch. 20
	Cost Minimization and Cost Curves	Varian Chs. 21-22
	Firm and Industry Supply	Varian Chs. 23-24
	2nd Midterm Examination, December 14, 2016	
	Exchange	Varian Ch. 32
	Final Examination, TBA	

Remarks:

1. Reading assignments, course materials and the relevant chapters of the textbooks, and studying the problem sets are students' responsibilities. For a good comprehension of the topics, students are recommended to read the relevant course material before each lecture. You are expected to be conversant in basic calculus. Attendance (lectures and recitations) and participation in class are strongly recommended.

2. This course will be using METU-Class system (**https://metuclass.metu.edu.tr/**). The syllabus of the course, assignments, problem sets and the grading information will be made available on METU-Class. Also the announcements will be made (and will be emailed to your registered email address) via METU-Class.

3. The weights of the exams and assignments towards the term grade are:

Participation, Assignment(s) and/or Quizzes	10%	
First Midterm Exam	30%	(21st November 2020)
Second Midterm Exam	30%	(30th December 2020)
Final Exam	30%	(TBA).

4. There will be no makeup if you miss a quiz. If you miss an exam for an excused reason (with formal approval) I will offer a written makeup or an oral exam on the blackboard. In the case of serious illness, a verifying report from a physician is necessary before exams and it has to be approved by the University Health Centre. You will need to contact me about your excuse and bring in the approval letter before/right after the exam.

5. Makeup exams will be cumulative (including all chapters) and will take place right after the week that final exams will take place.

6. Phones must be switched off at all times during class hours.
7. Students must first use the public forums, and only after exhausting that option, try to contact the professor through the email option.