

Microeconomics 2 (MPE_AMI2)

Literature

- Hal Varian: *Intermediate Microeconomics. A Modern Approach*, W. W. Norton & Company.
- Theodora Bergstrom and Hal Varian: *Workouts in Intermediate Microeconomics*, W. W. Norton & Company

Grading

Final grade is based on percentage points collected for work in seminars, two tests and final exam. The percentage points are translated into grades as follows:

- A: 88 – 100 percent
- B: 81 – 87 percent
- C: 74 – 80 percent
- D: 67 – 73 percent
- E: 60 – 66 percent
- F: 0 – 59 percent

Work in seminars At the beginning of each seminar, students will be assigned problems that will be examined in the following seminar. During seminars 2 – 13, randomly chosen students are asked to solve one of the problem (or part of a problem). If they solve it correctly and are able to explain the solution, they receive 2 percentage points. If they solve it with (important) mistakes or are not able to explain the solution perfectly, they receive 1 point. If the students are not able to solve the problem or refuse to solve it, they receive 0 points. It is assumed that students that were not chosen to solve any problem in a given seminar were prepared and therefore receive 2 points each. The maximum number of percents that can be earned for work in seminars is 26.

Tests There are two tests written in the seminars. The first test, written in seminar 7, contains problems from topics covered in seminars 2–6. The second test, written in the seminar 13, includes problems from topics covered in seminars 7–12. Each test contains 6 questions. Correct answers are rewarded with 2 percentage points, incorrect or no answers with 0 points each. The maximum number of percentage points for each test is 12, for both tests 24.

Final exam The final exam has 25 questions a/b/c/d/e, each with exactly one correct answer (see study materials for an example of the final exam). Correct answers are rewarded with 2 percentage

points, and incorrect or no answers with 0 points each. The maximum number of points for the final exam is 50. Students may take the exam three times in the first year, and twice if they have Microeconomics 2 for the second time. Students receive grade for each attempt. So, for instance, the final result of a student who needs two attempts to succeed may be FC.

Time schedule - lectures

1. Budget line, preferences, utility (16/9)
2. Choice and revealed preference (23/9)
3. Demand and Slutsky equation (30/9)
4. Consumer surplus and market demand (7/10)
5. Uncertainty and equilibrium (14/10)
6. Technology, profit maximization, cost minimization and cost functions (21/10)
7. National holiday – lecture canceled (28/10)
8. Firm supply and industry supply (4/11)
9. Monopoly and monopoly behavior (11/11)
10. Game theory and oligopoly (18/11)
11. Cartel and asymmetric information (25/11)
12. Exchange and production (2/12)
13. Problems and applications (9/12)

Time schedule - seminars

1. Functions and derivatives (16/9)
2. Budget line, preferences, utility (23/9)
3. Choice and revealed preference (30/9)
4. Demand and Slutsky equation (7/10)
5. Consumer surplus and market demand (14/10)
6. Uncertainty and equilibrium (21/10)
7. 1st test + technology and profit maximization (28/10)
8. Cost minimization and cost functions (4/11)
9. Firm supply and industry supply (11/11)
10. Monopoly and monopoly behavior (18/11)
11. Game theory and oligopoly (25/11)
12. Cartel and asymmetric information (2/12)
13. 2nd test + exchange and production (9/12)