

ECONOMICS 382

INTERMEDIATE PRICE THEORY II

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Course Description:

This course continues the study of price theory started in Economics 380. Economics 382 consists of the following themes:

- Uncertainty and Information
- Welfare and General Equilibrium
- Imperfect Competition: Monopoly, Oligopoly and etc.
- Input Markets: Labor, Capital, etc.
- Odds and Ends: Externalities and Public Goods

Organization:

- Your grade will be based on the following activities:
 - 2 midterm exams (100 points each)
 - Final exam: comprehensive (150 points)
 - Problem sets-

Exams:

Exams will consist of short answer and problem solving questions. I assume all students are prepared to utilize the tools developed in 380 including conceptual, graphical, and algebraic analysis.

Problem Sets:

I will hand out problem sets each Monday—due the following Monday by 5:00 p.m. (You can either put the assignment into the TA's box in the economics office or turn it in at the front of the classroom before lecture begins.) The problem sets should assist you in preparing for exams and in learning the material. You will receive full credit for earnestly attempting each assigned problem. Thus, I am giving 50 free points! However, incomplete or shoddy homework will earn less than full credit. I encourage you to study in-groups although each individual is responsible for assignments and of course learning the course content. No late homework will be accepted.

Texts:

- Required text is Nicholson, W., *Microeconomic Theory*, 9th edition.
- Other resources:
 - Gibbons, *Game Theory for Applied Economists*, 1992.
 - Laffont, *The Economics of Uncertainty and Information*, 1989
 - Katz, M. and H. Rosen, *Microeconomics*, 3rd edition, 1998 a less mathematical presentation of the topics.

All texts other than the required (Nicholson) will be on reserve in the library or available from the instructor for short periods of time.

Class Schedule:

Day	Topic	Chapter
Jan 8	General Equilibrium in Pure Exchange Economy	12
Jan 10	General Equilibrium with Production	12
Jan 15	Holiday—No Class	
Jan 17	GE Continued	12
Jan 22	Uncertainty and Expected Utility	18
Jan 24	Risk Aversion	18
Jan 29	Information I	19
Jan 31	Information II	19
Feb 5	Application: Health Insurance	TBA
Feb 7	Application: Adverse Selection	TBA
Feb 12	Monopoly	13
Feb 14	EXAM DAY—No Class	
<i>Feb 14-15</i>	<i>MIDTERM 1 in Testing Center</i>	
Feb 19	Holiday—No Class	
Feb 20**	Price Discrimination / Regulation	13
Feb 21	Oligopoly I: Traditional	14
Feb 26	Game Theory I- Normal Form Games	15
Feb 28	Game Theory II- Normal Form / Mixed Strategies	15
March 5	Game Theory III- Extensive Form	15
March 7	Game Theory IV- Dynamic Games	15
March 12	Oligopoly II: Game Theoretic	15
March 14	Oligopoly III: Cournot Variations	TBA
March 19	Applications: Anti-Trust Policy	TBA
March 21	EXAM DAY—No Class	
<i>March 21-22</i>	<i>MIDTERM EXAM II in Testing Center</i>	
March 26	Capital Markets	17
March 28	Two Period Fisher Model	TBA
April 2	Intertemporal Issues	TBA
April 4	Externalities and Public Goods	20
April 9	Public Goods	20
April 11	Political Economy	21
April 16	REVIEW Last Class Period	
April 18-19	<i>READING DAYS</i>	
April	<i>FINAL EXAM 4/20 3:00 pm – 6:00 pm</i>	

**Important Note: You are responsible for the material
in the reading list as well as that discussed in class.**