

Course Outline

Department of Economics  
School of Business and Economics

ECON 2900-3  
Intermediate Microeconomics 1

**Calendar Description**

Students complete an in-depth examination of the interaction between individuals and firms in various types of markets. Topics include consumer and producer behaviour, partial equilibrium analysis for perfectly competitive markets, and aspects of monopoly and imperfectly competitive markets. This course prepares students for advanced courses in economics.

**Educational Objectives/Outcomes**

Upon completing this course, students will be able to:

1. Apply consumer and producer theory in analyzing economic issues.
2. Use partial equilibrium models to understand the behavior of the economy.
3. Incorporate theories relating to monopoly and competitive markets in economic analysis.

**Prerequisites**

ECON 1900; MATH 1170 or equivalent

**Co-requisites**

**Texts/Materials**

Varian, Hal R., Intermediate Microeconomics: A Modern Approach, 8th Edition, New York: W.W. Norton, 2010.

**Student Evaluation**

Assignments	0-20%
Midterm(s)/quizzes	30-75%
Final exam	25-50%

**Course Topics**

1. Introduction to Microeconomics
2. Theory of Preferences
  - Common axioms and assumptions relating to preferences
  - Utility
  - Common types of utility functions and their associated indifference curves
  - Homogeneity and homothetic functions
3. Demand Theory
  - Budget constraints, choice
  - Utility maximization
  - Demand functions, inverse demand functions, and common utility functions
  - Slutsky equation
  - Endowment goods and intertemporal choice
  - Uncertainty
  - Consumer surplus
  - Market demand
  - Revealed preference
4. Production and Cost
  - Technology
  - Profit maximization
  - Cost minimization
  - Cost curves
  - Firm supply
  - Industry
5. Perfect competition
  - Partial equilibrium
6. Monopoly
  - Behaviour of a non-discriminating monopolist
  - Inefficiency of a non-discriminatory monopolist
  - Price discrimination
  - Efficiency/inefficiency of price discrimination
7. Imperfect competition

### **Methods for Prior Learning Assessment and Recognition**

As per TRU policy

### **Attendance Requirements – Include if different from TRU Policy**

As per TRU policy

**Special Course Activities – Optional**

**Use of Technology – Optional**