

Professor Silke I. Januszewski
Office: Economics 229
Office hours: Tue 10:30 – 11:30 am
Please check T.A. office hours on the course web site.
Please contact the T.A.s first if you have questions on the class material or the homeworks.

Syllabus Econ 170B, Spring 2004

Primary Textbook:

W. F. Samuelson and S. G. Marks, *Managerial Economics* 4th edition, Wiley & Sons, 2003.

Secondary Textbooks:

R. S. Pindyck and D. L. Rubinfeld, *Microeconomics*, 5th edition, Prentice Hall.

H. Varian, *Intermediate Microeconomics*, 5th edition, Norton, 1999.

This course is a continuation of Econ 170A and assumes familiarity with the topics taught in that course. We will frequently use calculus in this course. The course outline is as follows:

- I. Introduction and Review**
- II. Oligopoly** (SM Ch. 10)
- III. Game Theory** (SM Ch. 11)
- IV. Market Failure:**
 - a. Externalities** (SM Ch. 12)
 - b. Public Goods** (SM Ch. 12)
 - c. Adverse Selection** (SM Ch. 15)
 - d. Moral Hazard** (SM Ch. 15)
- V. Decision Making under Uncertainty** (SM Ch. 13)
- VI. Auctions** (SM Ch. 17) – if time permits

Exams:

Your course grade will be based on two exams, an in-class midterm and an in-class final. There will be approximately bi-weekly homeworks which are not graded. The exam dates are as follows:

<u>Midterm:</u>	<u>April 29, in class</u>
<u>Final:</u>	<u>June 1, in class</u>

There will be **no class on June 3**. We will schedule a make-up lecture in the week of May 24-28.

The final will be comprehensive but give more emphasis to the 2nd half of the course. The weight of the exams for the final grade will be as follows:

Midterm	45%
Final	55%

Exams will be closed-book, closed-notes, and you will not be allowed to use calculators.

Homeworks:

You will have 5-6 homeworks for the course. The homeworks and solutions will be posted on the class web page. You are encouraged to discuss homeworks with the T.A.s during their office hours.

Lecture notes:

I am planning to post slides with my lecture notes on the course web site. The posted notes will be incomplete. You will need to come to class to get the complete lecture notes. You are very welcome to take your own notes during class. If you miss a class for whatever reason, you will need to get notes from someone else in the class.

Please be aware that I may decide to stop posting lecture notes if class attendance is too low.

For several topics (especially Oligopoly and Asymmetric information) I will present material that is not covered in Samuelson and Marks' textbook. You may refer to the other textbooks or to the lecture notes for that material.

How to study for this class:

We will cover a wide range of topics in this class. None of the topics is particularly hard to understand but it will be essential for you to acquire a good knowledge of all topics that we cover. The exams will require that you can solve analytical problems in a limited amount of time.

The best way to succeed in this class is to thoroughly practice solving problems. You can do so by doing the homeworks, reviewing examples given in class, and by doing additional problems from your textbook.

I strongly advise you to start studying for this class well before the exam date. Few people manage to learn all the required topics in the last week before the exam. Limited knowledge of a few of the covered topics may not be sufficient to pass the course.