



THE UNIVERSITY OF CHICAGO
THE IRVING B. HARRIS GRADUATE SCHOOL
OF PUBLIC POLICY STUDIES

PUBLIC POLICY 323:
MICROECONOMICS AND PUBLIC POLICY I

Autumn 2002: T Th 12:00 – 1:20 pm, 120 Kent

Instructor: Professor Helen Levy
150 Harris School
hlevy@uchicago.edu
(773) 702-9083
Office hours: Thursday 2-3:30 pm

Teaching assistants:	Email	Section	Office hours
Anirban Basu	abasu@midway.uchicago.edu	W 2 – 3, Woodlawn rm.	W 12 – 1:30, 193
Rosa Cho	chorosa@uchicago.edu	Th 5 – 6, 140A	Th 6 – 7:30, 140A
Bill Clune	wclune@midway.uchicago.edu	T 2 – 3, 140A	M 2 – 3:30, 140A
Carolanne Dai	cdai1@uchicago.edu	T 5 - 6, room TBA	M 5 – 6:30, 140A
Alex Popov	siralexpopov@hotmail.com	W 9 – 10, 140C	M 5 – 6:30, 140A
Aaron Sojourner	aaronsojourner@hotmail.com	F 1 – 2, 140B	F 2 – 3:30, 140B

Course web page: To access the course web page, go to chalk.uchicago.edu, log in, and then follow the links to PP323. Your user ID is your CNetID (the first part of your email address before the @ sign) and your password is your student ID number.

Course goals: This course is the first of a two-quarter sequence in microeconomic theory. This course covers the theory of consumer choice, the theory of the firm, and the concept of equilibrium. The course will also include applications of economics to policy issues such as sales taxes and in-kind transfers.

Prerequisites: The course has no formal prerequisites, but students should have a good command of basic algebra. By the end of the quarter we will use calculus in some examples during lecture, but calculus will not be necessary on problem sets or exams. Students who are not comfortable with math should take Public Policy 301, Mathematical Preliminaries, concurrently with this class.

Requirements and grading: Grades will be based on problem sets (30%), a midterm exam (30%), and a final exam (40%). Problem sets are due in lecture on the day they are due. *Late problem sets will not be accepted.*

The midterm will be in class on Tuesday, November 5 and will cover material from the first ten lectures. The final will be held from 10:30 am to 12:30 pm on Tuesday, December 10 and will cover material from the entire quarter. You must obtain written permission from the Dean of Students to be excused from an exam.

Text: *Intermediate Microeconomics* (6th ed.), by Hal Varian. Available at the Seminary Co-op bookstore. Earlier editions of the textbook are fine if you already own one or would prefer to buy one used.

For students with no prior background in economics: You may wish to purchase the workbook that accompanies the text, "Workouts in Intermediate Microeconomics" (6th ed.) by Theodore Bergstrom and Hal Varian, which includes supplementary questions (and answers) that will help you learn the material.

Course topics and assignments:

1.	T	10/1	Introduction		
2.	Th	10/3	Budget constraints	Ch. 2	PS 1 available
3.	T	10/8	Preferences	Ch. 3	PS 1 due PS 2 available
4.	Th	10/10	Utility	Ch. 4	
5.	T	10/15	Choice	Ch. 5	PS 2 due PS 3 available
6.	Th	10/17	Demand	Ch. 6	
7.	T	10/22	Demand, continued		PS 3 due PS 4 available
8.	Th	10/24	Revealed preference	Ch. 7	
9.	T	10/29	Slutsky equation	Ch. 8	PS 4 due PS 5 available
10.	Th	10/31	Intertemporal choice	Ch. 10	
11.	T	11/5	MIDTERM EXAM in class		
12.	Th	11/7	Consumer's surplus		
13.	T	11/12	Technology	Ch. 18	PS 5 due PS 6 available
14.	Th	11/14	Profit maximization	Ch. 19	
15.	T	11/19	Cost minimization	Ch. 20	PS 6 due PS 7 available
16.	Th	11/21	Cost curves	Ch. 21	
17.	T	11/26	Firm supply	Ch. 22	PS 7 due PS 8 available
18.	Th	11/28	NO CLASS (Thanksgiving)		
19.	T	12/3	Industry supply and market demand	Chs. 15 & 23	
20.	Th	12/5	Equilibrium	Ch. 16	PS 8 due

FINAL EXAM: Tuesday, December 10, 10:30 am – 12:30 pm.

Quick guide to office hours and sections

Monday 2:00 - 3:30 pm: Bill Clune office hours, 140A

Monday 5:00 - 6:30 pm: Carol Dai office hours, room TBA

Monday 5:00 - 6:30 pm: Alex Popov office hours, 140A

Tuesday 2:00 - 3:00 pm: Bill Clune section, 140A

Tuesday 5:00 - 6:00 pm: Carol Dai section, 140A

Wednesday 9:00 - 10:00 am: Alex Popov section, 140C

Wednesday 12:00 - 1:30 pm: Anir Basu office hours, 193

Wednesday 2:00 - 3:00 pm: Anir Basu section, Woodlawn room

Thursday 1:30 - 3:00 pm: Helen Levy office hours, 150

Thursday 5:00 - 6:00 pm: Rosa Cho section, 140A

Thursday 6:00 - 7:30 pm: Rosa Cho office hours, 140A

Friday 1:00 - 2:00 pm: Aaron Sojourner section, 140B

Friday 2:00 - 3:30 pm: Aaron Sojourner office hours, 140B