

# MICROECONOMICS

## PART II

Berardino Cesi

[Berardino.cesi@uniroma2.it](mailto:Berardino.cesi@uniroma2.it)

[Institutional Website](#)

[Personal Website](#)

Office hour: appointment

Room P1 s24

⦿ Lectures: (check timetable on the website)  
Theory + Practice

⦿ <https://economia.uniroma2.it/corso/lezionidoc/228/>

⦿ Teaching Assistants:

- Sara Biadetti (sara.biadetti16@gmail.com)

# Guidelines for *teams*

- ◉ Webinar lectures is a perfect substitute of the face to face lecture
  - This course does not turn into a telematics course
  - Lectures cannot:
    - **be registered and used** for any **private purpose** different from the one explained by the professor that remains the only responsible for the video (sharing, made public, second hand market.....is forbidden)
  - Students are not allowed to privately use the video or the options of the meeting (i.e. start the meeting before the professor does...)
- ◉ *Teams* is not like **WhatsApp or Telegram**, is not a 24h chat neither with the professor nor with the teaching assistants
- ◉ Official communications follows the
  - Course web site (materials, slides reading..)
  - Basically emails (communication with prof and TA)
  - telephone (office)

## Microeconomics (Part II)

Prof. Bernardino Cesi – T.A. Dr. Sara Biadetti

### Textbook:

H.R. Varian, Intermediate Microeconomics (latest edition), W.W. Norton & Company

### List of topics (for part II):

- Consumer's Surplus (Chapter 14)
- Market Demand (Chapter 15)
- Equilibrium (Chapter 16)
- Technology (Chapter 18)
- Single Firm: Profit Maximization (Chapter 19, except 19.11)
- Single Firm: Cost Minimization (Chapter 20)
- Cost Curves (Chapter 21)
- Industry Supply (Chapter 22+ Chapter 23, only 23.1-23.5)
- Monopoly (Chapter 24)
- Exchange (Chapter 31)

## Planning of the Lectures (for part II)

Week 1	Tuesday Wednesday Thursday Friday	26/04/2022 27/04/2022 28/04/2022 29/04/2022	Lecture Lecture Practice - <b>Test Surplus &amp; Market Demand</b> Lecture
Week 2	Monday Tuesday Wednesday Thursday	02/05/2022 03/05/2022 04/05/2022 05/05/2022	Practice - <b>Test Equilibrium &amp; Technology</b> Lecture Lecture Practice - <b>Test Profit Maximization &amp; Cost Minimization</b>
Week 3	Tuesday Wednesday Thursday Friday	10/05/2022 11/05/2022 12/05/2022 13/05/2022	Lecture Lecture Practice - <b>Test Cost Curves &amp; Industry Supply</b> Lecture
Week 4	Tuesday Wednesday Thursday	17/05/2022 18/05/2022 19/05/2022	Lecture Practice - <b>Test Monopoly &amp; Exchange</b> <b>Midterm</b>

## Rules of the Course

- In Part II, **5 short tests** will be delivered in total *during the practice sessions*.
- Each test is composed of **5 multiple-choice questions** that, if answered correctly, sum up to **3 points**. *In particular, every correct answer gives a score of 0.6. A wrong answer gives a score of -0.03 and a blank answer gives 0 points.*
- So, if a student takes part to all the tests (10 in Part I and 5 in Part II) and passes them all with the maximum score, she will get 30.
- Furthermore, *at the end of every part*, attending students will have a **midterm**, composed by 10 multiple-choice questions that, if answered correctly, sum up to 3 points.
- So, the maximum score a student can get is 36.
- **Only in the case of a score of 36**, she will receive the distinction (*30 e lode*).
- **If a student wants to reject the mark she got with the practices and the midterms, she must communicate it before the final exam.**
- If a student takes a mark greater than 18 and she does not reject it, she will pass the course without sitting for the final exam.

## Rules of the Final Exam:

- The final exam is composed of 10 multiple-choice questions (5 for part I and 5 for part II)
- *Every correct answer gives a score of 3 points. A wrong answer gives a score of -0.3 and a blank answer gives 0 points.*
- So, if a student answers correctly to all the questions, she will get 30
- **If an attending student sits for the final exam, the score obtained during the practices and the midterms is considered as rejected.**

# Program

- ◉ Textbook:  
H.R. Varian, Intermediate Microeconomics (latest edition),  
W.W. Norton & Company
  - ◉ Workbook (for practice classes):  
T.C. Bergstrom and H.R. Varian, Workouts in Intermediate  
Microeconomics (latest edition), W.W. Norton & Company
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## List of topics (for Part II):

- ◉ Consumer's Surplus (chapter 14)
  - Demand for a discrete good
  - Measures for Consumer's surplus
  - Equivalent and Compensating variation
  - Quasi-linear utility function
  - Producer's Surplus, Deadweight loss

- ◉ Market Demand (chapter 15)
  - From individual to market demand
  - Invers demand function
  - Elasticity and demand
  - Price and Income elasticity
  
- ◉ Equilibrium (chapter 16)
  - Aggregate Supply
  - Aggregate Demand
  - Market Equilibrium
  - Equilibrium prices and taxation
  
- ◉ Technology (chapter 18)
  - Technological constraint
  - Properties of technology
  - Technical rate of substitution
  - Marginal productivity
  - Return to scale
  - Short and long run

- ◉ Single firm: Profit maximization (chapter 19, except 19.11)
  - Profits
  - Profit maximization
  - Short and long run
  - Comparative statics
  
- ◉ Single firm: cost minimization (chapter 20)
  - Cost minimization
  - Average costs
  - Returns to scale
  - Short and long run
  - Example Cobb Douglass
  
- ◉ Cost curves (chapter 21)
  - Average costs
  - Marginal costs
  - Fixed and variable costs
  - Short and long run cost curves

- ◉ Industry supply (chapter 22)
  - Firms' behavior
  - Short-run industry supply
  - Long run industry supply
  - Long-run Industry equilibrium
  - Short-run Industry equilibrium
  
- ◉ Monopoly (chapter 24)
  - Profit maximization under market power
  - Optimal pricing
  - Role of demand elasticity
  - Inefficiently from Monopoly
  
- ◉ Exchange (chapter 31)
  - The Edgeworth Box
  - Trade
  - Pareto Efficient Allocation