

MICROECONOMICS

PART II

Berardino Cesi

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

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