

St. Joseph's University  
Department of Economics

ECN 2111  
MICROECONOMIC THEORY

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WHAT'S THIS CLASS ABOUT?: My goal is for you to deepen your understanding of how economists analyze decisions by individual agents - primarily consumers and firms, and to a lesser extent, the government. We will continue to explore the theoretical underpinnings of consumer and firm decision-making, but the tools in our analysis will be more subtle and rigorous than what was required in Principles Microeconomics. Key topics include supply and demand, types of industry structure, how and when competitive markets fail, and the role of government in correcting market failure.

Learning Goals:

- A sophisticated understanding of how markets work
- An understanding of how the characteristics of firms and products dictate the nature of competition
- An ability to distinguish and formally analyze different industry structures
- An understanding of when competitive markets fail and the role of government policy in correcting market failure.

READING: Microeconomics, *Third Edition* – Jeffrey M. Perloff.

GRADING: There will be two midterms and a cumulative final. Also, homework assignments will be assigned periodically. **Credit will be given only for assignments handed in on time.** Your midterm and final exam grades, along with your homework grade, will comprise your overall course grade. The following are relative weights of each graded component:

HOMEWORK:	15%
MIDTERM 1:	25%
MIDTERM 2:	25%
FINAL:	35%

ACADEMIC HONESTY: The University has a formal policy on academic honesty that applies to this course. Students should familiarize themselves this policy. My policy is that any student found guilty of cheating on an examination will receive a failing grade for the class.

DISABILITY SERVICES: If you have a documented disability (learning, physical, psychological) for which you are or may be requesting reasonable academic adjustments, you are encouraged to contact: Services for Students with Disabilities, 113 Science Center, 610-660-1774 or 610-660-1620, as early as possible in the semester.

THE FINANCIAL TIMES: Your textbook comes bundled with The Financial Times newspaper. Be sure to send in you send in your mailing address information to the paper as soon as possible. Reading articles that analyze economic relationships between consumers, firms and governments will help you see how the theory translates (or fails to translate) into reality, and increase your awareness of key economic trends.

## **GENERAL OUTLINE OF COURSE AND ASSIGNED READINGS**

WEEK 1: INTRODUCTION AND REVIEW OF SUPPLY AND DEMAND

Textbook Reading: Chapters 1 and 2

WEEK 2: SUPPLY AND DEMAND (CONTINUED)

Textbook Reading: Chapters 2 and 3

WEEK 3: THE THEORY OF CONSUMER CHOICE

Textbook Reading: Chapter 4

WEEK 4: CONSUMER CHOICE THEORY (CONTINUED)

Textbook Reading: Chapter 5

WEEK 5: INTRODUCTION TO THE THEORY OF THE FIRM

Textbook Reading: Chapter 6

WEEK 6: THEORY OF THE FIRM (CONTINUED): COSTS

Textbook reading: Chapter 7

**\*\* MIDTERM 1 WILL COVER CHAPTERS 1-7**

WEEK 7: FIRM BEHAVIOR: PERFECT COMPETITION

Textbook Reading: Chapter 8

WEEK 8: PERFECT COMPETITION (CONTINUED)

Textbook Reading: Chapter 9

WEEK 9: GENERAL EQUILIBRIUM

Textbook Reading: Chapter 10

WEEK 10: FIRM BEHAVIOR: MONOPOLY

Textbook Reading: Chapter 11

WEEK 11: MONOPOLY (CONTINUED)

Textbook Reading: Chapter 12

WEEK 12: FIRM BEHAVIOR: OLIGOPOLY AND MONOPOLISTIC COMPETITION

Textbook Reading: Chapter 13

**\*\* MIDTERM 2 WILL COVER CHAPTERS 8-13**

WEEK 13: FACTOR MARKETS

Textbook Reading: Chapters 15 and 16

WEEK 14: FACTOR MARKETS (CONTINUED), EXTERNALITIES

Textbook Reading: Chapters 16 and 18

WEEK 15: EXTERNALITIES, PUBLIC GOODS AND IMPERFECT INFORMATION

Textbook Reading: Chapters 18 and 19

**\*\* THE FINAL WILL BE COMPREHENSIVE**