**Recanati**
Business School
Tel Aviv University

רקנאטי
הפקולטה לניהול
אוניברסיטת תל־אביב

**Sofaer International MBA**

A ACSB ACCREDITED

# Microeconomics

# Course # 1238.2310.01

## Semester A – 2014-15

**Lecturer**:  Dr. Itai Ater

**Course Time**:  Tuesday    08:15 - 11:00 ($1^{st}$ module)

                      & Monday 11:30 - 14:15 ($2^{nd}$ module)     **Classroom**:  Recanati 303

**Office Hours**:  By appointment                         **Office**:        Recanati 326

**Email**:  Ater@post.tau.ac.il

**Teaching Assistant**: Michael Leshem

**E-mail**:  leshem_michael@yahoo.com

## Course Focus

Microeconomics is concerned with the behavior of individual consumers and individual firms, acting and interacting in markets and in industry group. The course covers basic topics in intermediate microeconomics. The main objective is to present a set of concepts and analytical techniques that are vital to microeconomic analysis.

**Prerequisites:**  Students should be familiar with **calculus** as this is an extremely useful tool for analyzing economic models.  In addition to calculus I will also use graphical presentation to illustrate the main ideas and will emphasize the general logic and intuition behind the results.

## Course Materials

There is a required course reader.  The reader contains all slides used in class presentations as well as two short case studies which we will discuss. The reader will be available prior to the start of the course at the IMBA office. In addition, the textbook for this course is: **Microeconomics** by Bernheim and Whinston. You are highly encouraged to use the book to further develop your understanding and skills in Microeconomics.

Other books you may find useful are: ***Microeconomics: An Integrated Approach*** by Besanko and Braeutigam and **Microeconomics for Managers** by David M. Kreps (Copies for both books can be found in the library)

## Electronic Access to Course Materials

I will post problem sets, solutions and other course material on Moodle http://moodle.tau.ac.il. Please make sure you have access to the course website.

## Course Requirements

**Problem Sets:** There will be 1 problem sets during the course. You should hand in the problem sets before the relevant class. For example, the problem set posted after the first meeting should be submitted in the beginning of the second meeting. Submitting each problem set is worth 0.5 points towards the final grade.

**Midterm – (TBD, 25% of final grade)**

**Final Exam – (TBD, 75% of final grade)**

## IMBA PROGRAM
## READINGS AND ASSIGNMENTS

## <u>Tentative Plan</u>

| Lecture No. | Week / Date | Topic | Readings from Besanko (B&B), Bernheim (B&W) and Kreps (K) | Problem Sets (Due Date) |
|---|---|---|---|---|
| **Module One** | | | | |
| (1) | Week 1: Oct 15 | Introduction and Marginal Thinking | Ch. 1 (B&B) Ch. 1 & 3.1-3.2 (B&W) Ch. 1 (K) | |
| (2) | Week 2: Oct 22 | Demand | Ch. 2.2, 2.3, 2.5 (B&B) Ch. 2.1, 2.4 (B&W) | Problem set 1 |
| (3) | Week 3 : Oct 29 | Demand + Monopoly | Ch. 11.1-3, 11.5-6 pp. 159-161 (B&B) Ch. 9.1-9.2, 17.1 -17.5 pp.178-181 (B&W) | Problem set 2 |
| (4) | Week 4: Nov 5 | Price Schemes (1) | Ch. 12.1-12.5 (B&B) Ch. 18 (B&W) Ch. 7 (K) | Problem set 3 |
| (5) | Week 5: Nov 12 | Price Schemes (2) + Roxy Case | Ch. 12.1-12.5 (B&B) Ch. 18 (B&W) Ch. 7 (K) | Problem set 4 |
| (6) | Week 6: Nov 19 | Distribution Channels | Ch. 6 (K) | Problem set 5 |
| | **Week 7: Nov 28** | **Midterm** | | |
| **Module Two** | | | | |
| (7) | Week 1: Dec 2 | Cost function + Production Technology | Ch. 6.1-6.2, 6.5 (B&B) Ch.7, Ch. 8.1-8.2 (B&B) Ch. 7.1-7.4 & 8.1-8.8 (B&W) | Problem set 6 |
| (8) | Week 2: Dec 9 | Perfect Competition | Ch. 9 (B&B) Ch. 14 (B&W) | Problem set 7 |
| (9) | Week 3: Dec 16 | Cranberries case + Government Intervention | Ch. 10 (B&B) Ch. 15 (B&W) | Problem set 8 |
| (10) | Week 4: Dec 23 | Oligopolistic Markets | Ch. 13.1-13.4 (B&B) Ch. 19.1-19.5 (B&W) | Problem set 9 |
| (11) | Week 5: Dec 30 | Oligopolistic | Ch. 13.1-13.4 (B&B) | Problem set 10 |

| | | Markets | Ch. 19.1-19.5  (B&W) | |
|---|---|---|---|---|
| (12) | Week 6: Jan 6 | Asymmetric info. + Summary | Ch. 18 (K) <br> Ch. 21  (B&W) | Problem set 11 |