

TOPICS OF INTERMEDIATE MICROECONOMICS

(January 1999)

CONSUMER CHOICE AND DEMAND

- Consumer preferences.
- Indifference curves and utility.
- Maximizing utility under budget constraints: "Marginal rate of substitution = price ratio" rule.
- Demand curves/functions.
- Income and substitution effects.
- Inferior and normal goods.
- Consumer surplus.

PRODUCTION AND COST

- Production function.
- Isoquants and isocost curves.
- Minimizing production cost: "Marginal rate of technical substitution = factor price ratio" rule.
- Cost functions.

PERFECT COMPETITION

- Short-run supply functions.
- Entry.
- Competitive equilibrium.

MONOPOLY

- Maximizing profit: "Marginal revenue = marginal cost" rule.
- Monopoly inefficiency.

IMPERFECT COMPETITION

- Monopolistic competition.
- Oligopoly.
- Equilibrium under imperfect competition.
- Welfare properties of imperfectly competitive markets.

FACTOR MARKETS

- To be taught as a separate topic, or to be incorporated into other topics.

ECONOMIC EFFICIENCY

- Pareto efficient allocations.
- Competitive equilibrium and Pareto efficiency.
- Economic efficiency and public policy.