Course Description:
In this course we will go through one of the most developed theories on human social behavior. Microeconomics studies everyday economic behavior of individual decision makers, who in our course are mainly consumers and firms. Based on the understanding of their behaviors, we can further analyze the behavior of groups like households, industries, markets and so on.

To accomplish the goal, we rely on a small set of enormously powerful tools: constrained optimization analysis — describing the objective and constraints of the decision makers; equilibrium analysis — describing the observed ultimate state of their behavior; comparative statics – describing a sort of “what if” effects. No worry if they are not clear to you. As we apply the words, graphs, algebra and tables to solve various problems, your minds will be sharpened to see how confusing matters are understood in a fascinating way.

Instructor: Zhen Liu, zheliu@ic.sunysb.edu
Teaching Assistant: Na Yin, ngyin@ic.sunysb.edu

Instructor’s Office Hours: Wednesday and Thursday 12:20–13:20 in SBS Building, Room S634.

Blackboard Learning System: http://blackboard.stonybrook.edu/, where you can get important information like lecture notes, recitation solutions, announcements and other materials. If you have never used Stony Brook’s Blackboard system, your initial password is your SOLAR ID and your username is the same as your Stony Brook (sparky) username, which is generally your first initial and the first 7 letters of your last name.


Prerequisites: ECO 108 or ECO 109 and Math 122 (calculus). A little knowledge of calculus, algebra and geometry is badly powerful for you to understand the theories. I will provide necessary help for you to get easy with them.

Lecture: Monday, Wednesday and Thursday, 1:30–2:30 and 3:40–4:35 in Harriman Hall, Room 112.
Recitation: Monday, Wednesday and Thursday, 2:40–3:35 in Harriman Hall, Room 112.

In recitation the TA will bring you a few questions to solve. Those questions will test your understanding of the content you learned as well as provide the chance of “learning by
doing.” You may consult the TA during the recitation whenever you feel necessary. TA may also explain the answer key to the sample exam. Keep in mind it will be graded and counted into the final grades.

**Important Dates:** The semester starts on June 3rd and ends on July 9th. The date of exam will be announced at least one week earlier in the lecture as well as on Blackboard System.

**Grades Components:** 1) One midterm exam when we finish Chapter 5 of the text book. It counts 30%. 2) Recitation assignments, 30%. Except the first one which tests your math knowledge and the lowest two of the rest, all grades of recitation will be counted. 3) One final comprehensive exam, 40%. The final will be based on Chapter 6–13, but we can’t avoid concepts relevant to pre-midterm contents.

I will provide you a sample test and a review session before each exam. From time to time I may also refer you to some example problems and reading materials. Since the summer course is so compact, there will be no homework assignment. But I suggest you take the recitation assignments and the sample tests as seriously as you take the exams. If you are confident with the possible variations of them before the exams, you will be perfect, otherwise you should worry. Also keep in mind that clean and organized writing and drawing are always preferred by graders, try not to confuse them as much as you can.

I do not give make-up exams. If you must miss the midterm for a legitimate reason, you must notify me before the exam and receive written permission from me. If you receive written permission, your final will be weighted appropriately.

**Technology in the Classroom:** Please turn off your cell phone before every class and exam. The exams will not require calculation beyond what you can accomplish on a basic scientific calculator. Consequently graphing calculators will not be allowed. If you have questions about your calculator, you should see me immediately.

**Special Needs:** If you have special needs or if you have reason to believe that you will have special need for an exam, you should contact the staff at Disabled Student services(DSS), Room 128, Educational Communications Center Building, 632-6748. DSS will review your concerns and determine what accommodations are necessary and appropriate. If you have special needs for an exam, you must notify me in writing of your situation at least one week prior to the affected exam. This notification will allow me to make appropriate arrangement. If you do not do so, it may be difficult or impossible to make special arrangements.

All work in this course is to be done on an individual basis. Any collaboration with others without the explicit permission will be viewed as a violation of the Academic Integrity.

I welcome your participation in the class. The student who is afraid of being shamed by his/her own questions is more likely to be shamed by his/her behavior in the exam. I believe there is no stupid questions. Of course I have to
control the rhythm of teaching, but that is not a big problem.

**Tentative Course Outline**

I. Introduction

  Chapter 1: Analyzing Economic Problems
  Chapter 2: Supply and Demand Analysis

II. Consumer Optimization

  Chapter 3: Preferences and Utility
  Chapter 4: Consumer Choice
  Chapter 5: The Theory of Demand

III. The Firm’s Problem

  Chapter 6: Inputs and Production Functions
  Chapter 7: Costs and Cost Minimization
  Chapter 8: Cost Curves

IV. Market Structure

  Chapter 9: Perfectly Competitive Markets
  Chapter 10: Competitive Markets: Applications
  Chapter 11: Monopoly and Monopsony
  Chapter 12: Capturing Surplus
  Chapter 13: Market Structure and Competition

At last, I’d like to recommend you a place where you can find a lot of undergraduate level economic studies: http://opus1.org/. They are very interesting and using just the technique that we learn in the undergraduate course, so you can make them too.