



Course Syllabus
Microeconomic Theory II
The Hashemite University, Faculty of Economics and Administrative Sciences
Department of Economics
Fall Semester, 2018/2019

Course Identification

Course Title	Microeconomic Theory II
Course Number	1802011311
Prerequisites	1802011211
Providing Department	Economics Department
Sections Number	2
Accredited Hours	3 credit hours
Lectures Location	Econ. 210
Class Times	10:00 – 11:00

Instructor Information

Instructor	Dr. Mohammad W. Alomari
Office Location	Econ. Department, 302
E-mail	Mohammadw@hu.edu.jo
office Hours	11:00-12:00 Sun, Tue and Thu or 11:00-12:30 Mon and Wed
Telephone	--
Faculty Web Page	--

Course Description:

This course aims to provide students with a theoretical background concerning the definitions and fields of economics; the characteristics of different market structures such as perfect competition, monopoly, oligopoly and monopolistic competition. It also addresses why one should study economics and provides students with detailed information about general equilibrium and economic welfare, pricing, production and costs as well as input markets, uncertainty and externalities. Finally, this course should enable students to move to advanced microeconomics applications smoothly.

Course Objectives: Learning Outcomes:

The main objectives of this course are to help students to understand what microeconomics is all about by providing students with the basic knowledge concerning the main topics in microeconomic theory especially with regard to market structure and market power, factor markets and uncertainty. This general objective will be achieved through the following learning outcomes:

A- Knowledge and Understanding: the students should be able to:

- 1- Understand the microeconomic perspective.
- 2- Identify the difference between perfect competition and market power.
- 3- Conduct comparisons among market structures in terms of their characteristics and profit maximization conditions.
- 4- Understand the factor markets, interest rates, investments, and capital markets.
- 5- Learn the general equilibrium and economic welfare.
- 6- Learn what uncertainty, externalities and public goods is.

B- Intellectual Skills: students should be able to:

- 1- Employ Economic terms and concepts in making rational decisions.
- 2- Identify the economic ways and present it for producers to make optimal decisions.
- 3- Modeling economic variables in a way that helps to simplify the reality.
- 4- Learn how to calculate and determine the economic profit and loss in economic institutions.
- 5- Compare different market structures with special emphasis on the issues of pricing and efficiency.
- 6- Identify the externalities and uncertainty.

C- Practical skills:

- 1- Using the graph, tables, and equations in the analysis of economic variables.
- 2- Using mathematical analysis methods such as derivation to explain economic phenomena.
- 3- Using theory tools to analyze the behavior of firms and individuals.

Teaching Methods:

Duration	: 14 weeks, 42 hours
Lectures	: 40 lectures + two "one-hour" exams

Course Work Requirements:

Activity	Type	Due date
Homework		

Note: The lectures may cover cases and exercises from other sources than designed textbook.

Tests and Evaluation:

Exam	Day/Date	Time	Place	Points
First Exam			--	25
Second Exam			--	25
Home works and participation				10
Final Exam	To be assigned by the registrar office	TBA		40
Total				100

Detailed Outline:

Week	Contents
Week1+week2	Ch.9: Applying the Competitive Model Zero Profit for Competitive Firms in the Long Run Consumer Welfare Producer Welfare Competition Maximizes Welfare Policies That Shift Supply Curves Policies That Create a Wedge Between Supply and Demand
Week3 +week4	Ch.10: General Equilibrium and Economic Welfare 10.1- General Equilibrium 10.2- Trading Between Two People 10.3- Competitive Exchange 10.4- Production and Trading 10.5- Efficiency and Equity
Week 5+week7	Ch.11: Monopoly 11.1- monopoly profit maximization 11.2- effects of a shift of demand curve 11.3- market power 11.4- welfare effects of monopoly 11.5- cost advantage that create monopolies 11.6- Government actions that create monopolies 11.7- Government actions that reduce market power 11.8- monopoly decisions over time
Week 8+week9 +week10	Ch.12: Pricing 12.1- why and how firms price discriminate 12.2- perfect price discrimination 12.3- quantity discrimination 12.4- multimarket price discrimination 12.5- Two-part tariffs
Week 11 +week12	Ch.13: oligopoly and monopolistic competition 13.1- market structures 13.2- Game theory 13.3- cooperative oligopoly models 13.4- Cournot model of oligopoly 13.5- Stackellberg model of noncooperative behavior 13.6- comparison of collusive, cournot, stackellberg, and competitive equilibria 13.7- monopolistic competition 13.8- Bertrand price-setting model
Week 13	Ch.15: Factor markets and vertical integration 15.1- competitive factor market 15.2- Effect of monopolies on factor market 15.3- Monopsony 15.4- vertical integration
Week 14 +week15	Ch.16: interest rates, investments, and capital markets 16.1- comparing money today to money in the future 16.2- choices over time 16.3- exhaustible resources 16.4- capital markets, interest rate, and investment Ch.17: uncertainty 17.1- degree of risk 17.2- <i>decision making under uncertainty</i> 17.3- Avoiding risk 17.4- investing under uncertainty

	Ch.18: externalities, open access, and public goods 18.1- externalities 18.2- the inefficiency of competition with externalities 18.3- market structure and externalities 18.6- public goods
Week 16	Final Exam

Text Book and supporting Material:

Text Book:

Jeffrey, M. Perloff, Microeconomics, sixth Edition, University of California, Published by Pearson, 2013.

Supporting Material:

Walter Nicholson and Christopher Snyder, "Theory and Application of Intermediate Microeconomics," 10th Thomson South, 2008.

Over the internet:

The Textbook has a companion website and access code that is given to you upon buying the textbook.

Classroom Rules

- 1-Students must show the most respect toward each other and the instructor.**
- 2-Come to class on time, and don't leave early unless permission has been obtained.**
- 3- Students should not carry conversations with each other, or use mobile during class lecture and discussion.**
- 4- Students are not allowed to read non-assigned materials.**
- 5- It's the student responsibility to inform the instructor "a week" prior if there is a conflict with an exam.**
- 7- It is forbidden to bring your mobile for calculation purposes. It is just allowed to use the calculator.**

Good luck