



Course program and reading list

Semester 1 Year 2024

School: Tiomkin School of Economics B.A

Microeconomics II- Efficiency, Markets, and Market Failures

Lecturer:

Dr. Boaz Zik boaz.zik@runi.ac.il

Tutors:

Mr. Joseph Ganel gyosi@runi.ac.il

Teaching Assistant:

Mr. Joseph Ganel gyosi@runi.ac.il

Course No.:	Course Type :	Weekly Hours :	Credit:
3059	Lecture	4	4

Course Requirements :	Group Code :	Language:
Final Exam	241305904	English

Prerequisites

Prerequisite:

9009 - Statistics I for Economics

9012 - Microeconomics I: consumers and firms behavior under perfect competition **OR** 9683 - Microeconomics I: Economic decision-making: Consumers and Producers

Students who took one of the courses listed below will not be allowed to register to the course Microeconomics II- Efficiency, Markets, and Market Failures (3059):

9006 – Principles of Micro Economics

9018 – Microeconomics II :consumers and firms behavior under perfect competition



Course Description

In the course, we will analyze the behavior of economic agents (consumers and firms) given the prices of inputs and outputs in the market. We will study how prices, production, and consumption, are set in competitive markets. We will examine the outcomes of competitive markets from a normative perspective, i.e., we will explore when competitive markets result in socially desirable outcomes and means of intervention to improve the economic outcomes when they do not.

The course topics are:

1. Theory of the firm.
2. Partial equilibrium.
3. General equilibrium.
4. Externalities.
5. Public goods.



Course Goals

The course goals are:

1. To develop a theoretical framework for the analysis of economic markets.
2. To provide an understanding of:
 - The behavior of competitive markets.
 - The implications of competitive markets on social welfare
 - The implications of policy interventions in these markets.



Grading

Mid-term exam: This exam will be carried out in the middle of the semester and will cover the material studied up to that point. The exam will be composed of questions similar to those in the problem sets. The exam is voluntary, and its grade is "protective," i.e., the exam will be incorporated into a student's final grade in the course only if its grade is greater than the student's grade in the final exam. In such a case, its weight will be 25%.

Problem sets: Will appear on the course website. Students will be notified via mail about the upload of a new problem set and submission date. The submission will be carried out via the moodle system. The grade of a problem set is "pass" or "fail," where a "pass" grade is given if the solution shows that the student has seriously tried to cope with the problem set questions. The required number of problem sets is 80% of the overall number of problem sets. A student's grade for the problem sets will be the percentage of the problem sets with a "pass" grade out of the required number of problem sets. The weight of the problem sets in the overall grade is 10%.

Final exam: Will cover all the material taught during the semester.

Important: To pass the course, a student must obtain a grade of at least 60 on the final exam and a grade of at least 60 on the overall final course evaluation.

Examples of the grade calculation:

The final grade of a student who received a "pass" grade in 80 percent of the required problem sets, a grade of 80 on the mid-term exam, and a grade of 70 on the final exam is:
 $0.25*80+0.65*70+0.1*80=73.5$

The final grade of a student who received a "pass" grade in 70 percent of the required problem sets, a grade of 70 on the mid-term exam, and a grade of 80 on the final exam is:
 $0.9*80+0.1*70=79$



Lecturer Office Hours

Tuesday 12:30-13:30 room 408.



Tutor Office Hours

Wednesday 10:00-11:00 the room will be announced.



Teaching Assistant

Yosi Ganel

email: gyosi@runi.ac.il



Reading List

The course is accompanied by a visual presentation. Before each week, the relevant presentation will appear on the course website. I recommend that you come to class with a hard copy of the slides to write your comments on them.

The course is accompanied by the following books:

1. Microeconomic Theory: Basic Principles and Extensions by Walter Nicholson and Christopher Snyder (henceforth "Nicholson")
2. Intermediate Microeconomics: A Modern Approach by Hal R. Varian (henceforth "Varian")

The relevant chapters by topics are the following:

- Theory of the firm: Nicholson, chapters 9, 10, and 11; Varian, chapters 18, 19, 20, and 21.
- Partial equilibrium: Nicholson, chapter 12.
- General equilibrium: Nicholson, chapter 13; Varian, chapters 31 and 32.
- Externalities: Nicholson, chapter 19; Varian, chapter 34.
- Public goods: Nicholson, chapter 19; Varian, chapter 36.