

Outline of Topics for Intermediate Microeconomics

Consumer Theory:

Optimal Choice (graphs and algebra)

Three Types of Preferences:

Cobb-Douglas

Perfect Substitutes

Perfect Complements

Budget Constraints

In-Kind Subsidy vs. Cash Grant (graphs)

Relationships between Price (P), Quantity of a good (Q), and Income (I)

Deriving Demand Curves (Q & P)

Deriving Engel Curves (Q & I)

Income and Substitution Effects

Normal Goods

Inferior Goods

Giffen Goods

Elasticities

Demand

Income

Cross-Price

Producer Theory:

TP, MP, AP (graphs)

Returns to Scale (graphs and algebra)

Least-Cost Choice

Three Types of Isoquants:

Cobb-Douglas

Perfect Substitutes

Perfect Complements

Isocost Lines

Cost Curves (use algebra to solve for TC as a function of input demands)

TC, MC, AC (graphs)

Perfect/Imperfect Competition:

Find Supply Curve for Firm – $S(P)$

Given the number of firms in an industry, find P, Q, and profit

Given Perfect Competition (zero profit), find the optimal number of firms in the industry

Increasing/Constant/Decreasing Cost Industries

Monopoly

Price Discrimination (why do movie theaters offer senior citizen discounts?)

As time permits ...

Excise Taxes/Price Floors/Production Quotas

General Equilibrium – Edgeworth Boxes

Oligopoly