Microeconomics-2

2nd module, 2024/25 academic year

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Course information

Course Website: my.nes.ru

Instructor's Office Hours: TBD

Class Time: TBD

Room Number: TBD

TAs: TBD

Course description

The second part of the Microeconomics sequence deals with the production side. Two most common producer's problems – cost minimization and profit maximization – will be considered in the course. We will derive the optimal behavior of a firm for various market configurations. After adding the demand side, we will find equilibrium outcomes at monopolistic, oligopolistic, and competitive markets.

Course requirements, grading, and attendance policies

Successful completion of Microeconomics-1 is a prerequisite for this course.

Grading policy is as follows.

Final grade = 0,5 Exam + 0,3 Midterm + 0,2 HA

At the A4-format midterm and exam, students will be asked to solve and analyze modifications of the models discussed during regular classes.

There will be 5 written home assignments. HA mark is the average mark for the best 4 of them.

Course contents

Week 1. Production functions and production sets.

Week 2. Cost minimization and profit maximization.

Week 3. Competitive markets. Partial equilibrium.

Week 4. Monopolistic markets. Price discrimination.

Week 5. Oligopolistic markets. Cournot model. Stackelberg model. Bertrand model.

Week 6. Cartels and tacit collusion.

Week 7. Spatial competition.

Sample tasks for course evaluation

Problem 1. The production technology satisfies free entry and free disposal properties but does not satisfy no free lunch property. Find the production set.

Problem 2. In the Cournot framework, demonstrate effectiveness of a collusion in the presence of a non-collusive competitor.

Course materials

Required textbooks and materials

1. Mas-Colell, A., Whinston, M. D., & Green, J. R. (1995). Microeconomic theory (Vol. 1). New York: Oxford university press.

2. Nicholson, Walter, and Christopher M. Snyder. Microeconomic theory: Basic principles and extensions. Cengage Learning, 2012.

Academic integrity policy

Cheating, plagiarism, and any other violations of academic ethics at NES are not tolerated and will be punished. This includes self-plagiarism: students cannot submit projects that are identical to or with minor modifications of those submitted for other courses. Major modifications might be allowed but must receive an explicit approval from the professor before submitting. Failure to declare overlap or submitting projects with high similarities to existing works will result in severe punishment. Students must adhere to these regulations as part of the NES Honor code. Course projects are subject to random plagiarism checks.