Course purpose and objectives~ The purpose of this class is to extend your knowledge of microeconomic theory to include an introduction to: game theory, welfare economics, and public goods and externalities.

Grading~
Exams: There will be three exams, one on each set of material. They will be held approximately one week after we finish a section. Exams will be worth 25 points each toward your final course grade. 75 points total. The exams will be held outside of normal class time.

Problem Sets: There will be a number of problem sets, generally one per week. These will be graded as Pass/Fail. The minimum requirement for problem sets is that you attempt each section of each question. I will provide you with an answer key, and you are responsible for correcting your own work. Problem sets will be due at the beginning of class and will be worth 1 point each toward your final course grade. 10 points total. Absolutely no late work will be accepted.

Presentations: You will present two applications of the course material. Topics/weeks will be assigned on a rolling basis. You will find an application of the theory (by looking through academic papers, opinion pieces, current events, etc.), present the application to the class, and lead a discussion of your topic (about 10 minutes). These will be worth 7.5 points each, 15 points total.

Participation: Participation will be used as the deciding factor in borderline grades. I expect each of you to attend every lecture prepared to discuss the assigned readings. It is not acceptable to be late and please do not leave early without prior permission.

Required Materials~ For this class, we will mainly follow:

I will supplement with a number of additional readings from both books and journal articles. I will provide these as we go through the term. You may also find it useful to have an intermediate Micro text handy. You can also reference the great notes provided by Dr. Stranlund (S) on the
course website. You should also review your notes from Res Ec 701 and 711. At this point, I assume that you have a deep knowledge of the topics covered in these classes.

**Topics**

Our lectures are designed to introduce you to the course topics. You will *master* these topics through reading prior to class, review after class, problem sets, presentations, and preparation for exams. Below are the chapter references for several texts, so you can reference whichever one explains it best to you.

I will assign additional readings as we go through the term. These will also be announced in class. These readings are required, and you will need to be prepared to discuss them during lecture.

I. Introduction to Noncooperative Game Theory (THE language of Economics…)
   
   G Chapters 1-3  
   V Chapter 15  

II. General Equilibrium & Welfare Economics (Perfect Competition is our gold standard)
   
   V Chapters 21 & 22  

III. Externalities, Public Goods, and Social Welfare (Some interesting places where the ‘world’ breaks down)
   
   V Chapters 23 & 24  
   S Chapter 6  

*Academic Dishonesty:* Cheating will cause you to receive an F in this course, and you will be reported to the University in accordance with the University’s Academic Honesty Policy: [http://www.umass.edu/dean_students/rights/acad_honesty.htm](http://www.umass.edu/dean_students/rights/acad_honesty.htm)

Plagiarism involves copying words AND/OR ideas without proper citation. When in doubt, ask.

You are welcome to collaborate on homework, but the work you submit must be your own.