Course description. This course is the second of the three-course sequence in quantitative intermediate economic theory. First we will complete the material in microeconomics: perfect and imperfect competition, general equilibrium and welfare, and factor markets. Then, we will move on to the macroeconomics part of this theory sequence—specifically, the static version of the classical model of aggregate economic activity.

The Econ 105 sequence is distinguished from the regular intermediate theory sequence (Econ 100) by its more advanced treatment of the material, making extensive use of quantitative techniques. The techniques are not ends in themselves, but used for gaining a deeper understanding of the fundamental ideas of modern micro and macroeconomics.

Prerequisites. Economics 105A. Students should be comfortable using the tools of calculus—no excuses!

Textbooks. There are two required textbooks for this class. The first is the same that you used in Econ 105A, covering the material in microeconomics; the second one covers the material in macroeconomics, and you will be using this same textbook in Econ 105C.


Course website. Available on Canvas.

Requirements and grades. There will be two in-class exams, tentatively scheduled for January 30th and February 27th. The final exam, to be held on March 22nd, will be comprehensive.

Problem sets will be posted on the course website roughly each week throughout the quarter. You are strongly encouraged to work through all of the problems on your own or in groups, as problem-solving is essential to developing a solid command of the material. But, your TA will assign specific
questions selected from the problem sets on a regular basis, to be submitted to him for credit; and, while you are encouraged to work with others, you must submit your own work.

The weighting of your exams and problem sets in the determination of your final grade is as follows: each in-class exam is worth 20 percent; the final is worth 40 percent; and, assigned problems are worth the remaining 20 percent.

Discussion sections. Your TA will review the material covered in lectures and help you work through the problem sets. Discussion sections start the week of Monday January 13th. Discussion sections that fall on a holiday will be made up at another time. (See the course webpage for details.)

Drop policy. Adds/drops can be made only through WebReg and only by the Friday of the second week of classes.

Course outline. Topics and readings assignments are as follows.†

I. Microeconomics

1. Market structures
   1.1 Competitive equilibrium.                           V23-24
   1.2 Models of monopoly.                                V25-26
   1.3 Models of oligopoly.                               V28-29

2. General equilibrium and welfare.
   2.1 General equilibrium.                               V32-33
   2.2 Efficiency.                                       V34
   2.3 Market failures: externalities and public goods.   V35, 37

3. Factor markets.
   3.1 Labor markets.                                    V9,27
   3.2 Capital markets.                                  V10

II. Macroeconomics

4. Introduction and preliminaries.                      M1-2
5. Classical perspective.                               M3, 5.1, 5.3, 7.1-7.2

The course website includes a schedule, with more details on the timing of topics. You should check the website regularly for possible changes and other messages, as well as for new problem sets.

†The reading assignments are intended to supplement, not substitute for, class lectures.
**Academic honesty.** Academic honesty is a requirement for passing this class. Any student who compromises the academic integrity of this course is subject to a failing grade. The work you submit must be your own. Academic dishonesty includes, but is not limited to, copying answers from another student, allowing another student to copy your answers, communicating exam answers to other students during an exam, attempting to use notes or other aids during an exam, or tampering with an exam after it has been corrected and then returning it for more credit. If you do so, you will be in violation of the UCI Policies on Academic Honesty (https://aisc.uci.edu/policies/academic-integrity/index.php). It is your responsibility to read and understand these policies. You need to avoid even the appearance of impropriety on your exams; keep your eyes on your own exam and do not hold your exam up to look at your answers because students behind you can see your answers. Note that any instance of academic dishonesty will be reported to the Academic Integrity Administrative Office for disciplinary action and is cause for a failing grade in the course.

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