

**THE UNIVERSITY OF THE WEST INDIES**  
**MONA CAMPUS**  
**Department of Economics**  
**Kingston 7**  
**Jamaica, W.I.**

**ECON6031: Microeconomic Theory II**

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|------------------|-----------------------------------------------------------------------------------------------------|
| Academic year:   | Semester 2, 2020/2021                                                                               |
| Pre-requisite:   | ECON6004                                                                                            |
| Lecture hours:   | Mondays 2–3 pm, Tuesdays 9–11 am (online only)                                                      |
| Lecturer:        | Dr. Alrick K. Campbell                                                                              |
| Email address:   | <a href="mailto:alrick.campbell02@uwimona.edu.jm">alrick.campbell02@uwimona.edu.jm</a>              |
| Office location: | Alister McIntyre Building, E207                                                                     |
| Office hours:    | Online sessions only. Email to schedule times below.<br>Tuesdays 11am – 1pm, Wednesdays 11am – 12pm |

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### Course Description

This course is the second of two in the Microeconomic Theory sequence at the graduate level. In continuation of the materials that you learnt in Microeconomic Theory I, Microeconomic Theory II will focus mainly on market imperfections arising from market power, asymmetric information, and missing markets. The course will challenge you to apply your understanding of microeconomic theory to analyse every day economic problems in your immediate environment.

### Learning Outcomes

At the completion of this course, students should:

1. understand the various forms of market imperfection and market failures, and how they affect the behaviour of economic agents.
2. master the tools of analysing optimal behaviour of an economic agent under market imperfection and market failure.
3. be able to apply their understanding of theory and mastery of analytical tools in explaining everyday microeconomic problems in the domestic, regional and international economy.

### Course Content

This course is divided into three (3) parts and nine (9) units. The units to be covered in this course are as follows:

**Part I – Uncertainty and competitive markets**

1. Consumer behaviour and uncertainty – NS7; V11
2. Partial equilibrium models – NS12; V13
3. General equilibrium and welfare – NS13; V17; V18

**Part II – Market power and regulation**

4. Monopoly – NS14; V14
5. Oligopoly – NS15; V16
6. Regulation and welfare analysis – NS14

**Part III – Market failure**

7. Asymmetric information – NS18; V25
8. Externalities – V24
9. Public goods – V23

## Course Schedule<sup>1</sup>

| Weeks | Date   | Day | Activity | Units         | Readings        |
|-------|--------|-----|----------|---------------|-----------------|
| 1     | Jan 18 | M   | Lecture  | Unit 1        | NS7; V11        |
|       | Jan 19 | T   | Lecture  | Unit 1        | NS7; V11        |
| 2     | Jan 25 | M   | Lecture  | Unit 1        | NS7; V11        |
|       | Jan 26 | T   | Lecture  | Unit 2        | NS12; V13       |
| 3     | Feb 01 | M   |          |               | Problem Set 1   |
|       | Feb 02 | T   | Lecture  | Unit 2        | NS12; V13       |
| 4     | Feb 08 | M   | Lecture  | Unit 3        | NS13; V17; V18  |
|       | Feb 09 | T   | Lecture  | Unit 3        | NS13; V17; V18  |
| 5     | Feb 15 | M   |          |               | In-class Quiz 1 |
|       | Feb 16 | T   | Lecture  | Unit 3        | NS13; V17; V18  |
| 6     | Feb 22 | M   | Lecture  | Unit 4        | NS14; V14       |
|       | Feb 23 | T   | Lecture  | Unit 4        | NS14; V14       |
| 7     | Mar 01 | M   |          |               | Problem Set 2   |
|       | Mar 02 | T   | Lecture  | Unit 5        | NS15; V16       |
| 8     | Mar 08 | M   | Lecture  | Unit 5        | NS15; V16       |
|       | Mar 09 | T   | Lecture  | Unit 6        | NS14            |
| 9     | Mar 15 | M   |          |               | Problem Set 3   |
|       | Mar 16 | T   | Lecture  | Unit 6        | NS14            |
| 10    | Mar 22 | M   |          |               | In-class Quiz 2 |
|       | Mar 23 | T   | Lecture  | Unit 7        | NS18; V25       |
| 11    | Mar 29 | M   | Lecture  | Unit 7        | NS18; V25       |
|       | Mar 30 | T   | Lecture  | Unit 7        | NS18; V25       |
| 12    | Apr 05 | M   | Lecture  | Unit 8        | V24             |
|       | Apr 06 | T   | Lecture  | Unit 8/Unit 9 | V24; V23        |
| 13    | Apr 12 | M   | Lecture  | Unit 9        | V23             |
|       | Apr 13 | T   |          |               | Problem Set 4   |

## Mode of Delivery

Two to three lecture hours and one tutorial hour as per schedule.

## Assessment

To establish student understanding of the course material and encourage ongoing engagement in the course, several assessment strategies detailed in the table below will be utilised throughout delivery of this course. There will also be four (4) graded problem sets which will be in the form of 4 group presentations. You will be assigned to a particular group. Typewritten or scanned copies should be uploaded to OurVLE. ***Due dates for all assessments will be posted on OurVLE.***

<sup>1</sup>Tentative Schedule – may change due to unforeseen circumstances.

| Assessment Items     | Mode of Submission           | Weighting   |
|----------------------|------------------------------|-------------|
| Quiz 1               | Administered in class        | 20%         |
| Quiz 2               | Administered in class        | 20%         |
| Problem Set          | Group presentation in class  | 10%         |
| Take-home Final Exam | Online (OurVLE) via Turnitin | 50%         |
| <b>Total</b>         |                              | <b>100%</b> |

## Student Responsibility

Your regular participation in online sessions is expected. All communication about this course will be made through the OurVLE course site and/or your official email provided by the University. Announcements made via OurVLE and your official email are deemed to be made to the entire class.

## Resources

### Required Texts

- Nicholson, Walter, and Christopher Snyder, 2012. *Microeconomic Theory: Basic Principles and Extensions*, 11<sup>th</sup> edition, Mason, OH, South-Western. (Referred to as **NS**)
- Varian, Hal, 1992. *Microeconomic Analysis*, 3<sup>rd</sup> edition, W. W. Norton & Company. (Referred to as **V**)