There are three parts to this reading list and course. Part 1 is an introduction to economic
theories, economic history, and the concepts of supply and demand. There are many
microeconomic theories in the world today. The most prevalent in the United States is called
neoclassical economics. Neoclassical economic theory arose within the social (economic,
political, and cultural) conditions of the late-nineteenth century. According to neoclassical
economists, all economies and economic events can be understood in terms of supply and
demand. The first part, therefore, covers the following topics: the basic theoretical debates
between neoclassical and other economic theories, the history of neoclassical microeconomic
theory, and the basic notions of supply and demand.

Part 2 concentrates on the neoclassical theory of supply and demand. What determines the
supply and demand behavior of individuals and firms? According to neoclassical economists,
given aspects of nature—preferences, technology, and endowments—are the underlying
determinants of supply and demand and, thus, of market prices and the distribution of
income. Therefore, in the second part of the course, we will examine the concepts and
method of the neoclassical "theory of value," from the initial determinants to the final
outcomes, as well as the economic implications of neoclassical microeconomic theory.

Part 3 returns to the issue of different economic theories. It is designed to sharpen your
knowledge of neoclassical theory by examining some of the extensions, shortcomings, and
criticisms of that theory and by comparing it to alternative theories. We will also discuss the
importance of these theoretical differences for economic policymaking and for the other
economic decisions that we make on a daily basis.

Together, these three parts comprise the principles of microeconomics: first, a discussion of
different economic theories, their history, and the concepts of supply and demand; then, an
examination of the neoclassical theory of value; and, finally, an introduction to some of the
extensions and criticisms of neoclassical theory and to the contemporary debate among and
between different economic theories.

Course Requirements. All students are expected to complete the assigned readings, before
the material is covered in class, and to participate fully in classroom discussions, especially in
the discussion sections. In addition, grading will be based on three examinations, one after
each part of the course outline. Each of these examinations will make up one third of the final
grade.

Texts and Readings. Two textbooks have been ordered for the course: Microeconomics, 18th
edition, by Paul A. Samuelson and William D. Nordhaus (hereafter, Samuelson & Nordhaus)
and Economics: Marxist versus Neoclassical, by Richard D. Wolff and Stephen A. Resnick
(hereafter, Wolff & Resnick). All of the required reading for the course is from these two
texts.
PART I: ECONOMIC THEORIES, HISTORY, SUPPLY AND DEMAND

Introduction: Economic Theories and History (12, 17 & 19 January)
Samuelson & Nordhaus, Chapter 1 (pp. 3-8)
Wolff & Resnick, Chapter 1

Production Possibilities (24 January)
Samuelson & Nordhaus, Chapter 1 (pp. 8-14) & Appendix 1 (pp. 18-23)

The Basic Concepts of Supply and Demand (26 & 31 January and 2, 7, 9 & 14 February)
Samuelson & Nordhaus, Chapters 3, 4 & 8 (pp. 155-57)

EXAM 1 (17 February, 8-9:15 am)

PART II: NEOCLASSICAL THEORY OF VALUE

Introduction: Neoclassical Theory of Supply and Demand (16 February)
Wolff and Resnick, Chapter 2 (pp. 38-50)

Preferences and Demand (21 and 23 February)
Samuelson & Nordhaus, Chapter 5 & Appendix 5
Wolff & Resnick, Chapter 2 (pp. 50-59)

Incomes: Wages (28 February and 2 March)
Samuelson & Nordhaus, Chapters 12 & 13 (pp. 243-57)
Wolff & Resnick, Chapter 2 (pp. 59-72)

Incomes: Profits (14 and 16 March)
Samuelson & Nordhaus, Chapter 14 (pp. 273-79)
Wolff & Resnick, Chapter 2 (pp. 72-80)

Costs and Supply (21 and 23 March)
Samuelson & Nordhaus, Chapters 6 (pp. 107-18), 7 (pp. 124-33) & 8 (pp. 147-55)
Wolff & Resnick, Chapter 2 (pp. 80-85)

Conclusions (30 March)
Samuelson & Nordhaus, Chapter 8 (pp. 158-62) & Appendix 14
Wolff & Resnick, Chapter 2 (pp. 85-95)

EXAM 2 (31 March, 8-9:15 am)

PART III: EXTENSIONS, CRITICISMS, AND ALTERNATIVE THEORIES

Comparative Advantage (4 April)
Samuelson & Nordhaus, Chapter 15

Imperfect Competition (6 April)
Samuelson & Nordhaus, Chapter 9 & 10 (197-200)
Game Theory (11 April)
   Samuelson & Nordhaus, Chapter 11 (pp. 212-20)

Discrimination, Externalities, and Inequality (13 and 18 April)
   Samuelson & Nordhaus, Chapters 13 (pp. 257-60), 18 (370-78) & 19 (pp. 382-400)
   Resnick & Wolff, Chapter 2 (pp. 95-99)

Marxian Economics (20 & 25 April)
   Resnick & Wolff, Chapter 3 (pp. 125-71)

Theoretical Differences (27 April)
   Wolff & Resnick, Chapter 4

Final Exam (4 May, 1:45-3:45 pm)