Microeconomic Theory

Economics 6100: Fall 2026

Tuesday and Thursday, 1:15 – 2:30, Buttrick Hall 205

John P. Conley
Department of Economics
Vanderbilt University
414 Calhoun Hall
j.p.conley@vanderbilt.edu

Course Description

This course is intended as Master's level introduction to the study of the firms and individuals in their economic roles. Primary attention will be given to developing the basic microeconomic tools essential for more advanced economics courses. As such, the approach will be fairly rigorous and mathematical. A basic background in calculus is required, and students who do not feel comfortable with these techniques may wish to spend some time reviewing.

By the end of the semester, students should be able to figure out the policy implications of various government initiatives, and be intelligent, critical (and hopefully skeptical) readers of popular economics such as might be found in The Wall Street Journal. It should also leave you well-prepared for more advanced field courses in economics.

Mechanics

Grading is based on five problem sets, two midterms, and a final. Each problem set is worth 2%, the midterms 25%, and the final, 40% of the total.

In my experience, the best way to learn economics is to practice doing problems. I encourage you to work together to *solve* the homework problems and in studying for the exams. **However, you must produce your own written answers to the problem sets.** Final written answers must not be shared or copied. Also see the AI policy below.

The problem sets will be sent to you via email, and should be turned in on Brightspace by the beginning of class on the day they are due. Late homework will not be accepted as the answer key will be distributed after the due date.

Exam Schedule

Midterm 1:	Thursday, October 8, 2026 – in class.
Midterm 2:	Thursday, November 19, 2026 – in class.
Final:	Friday, December 18, 2026 – 9:00am- 11:00am, – in class.

If you find that you will not be able to be present on any one of these three dates, please drop the class now and choose an alternative.

Policies

Neither make-up exams, nor alternate final exams, will be offered: It is simply impossible to produce two exams of equal difficulty, and it is therefore not a fair procedure. If you find that you will not be able to be present on any one of the two exam dates above, please drop the class now and choose an alternative. In the event of a verified emergency as defined by the University rules, I will adjust the weights give above to compensate for the missing work to determine a final grade.

The TA will be in charge of grading the problem sets and exams: If you have any questions regarding how an assignment or exam was scored, please start by talking to the TA. If you feel the TA is being unfair or unreasonable, come to me next.

Ask me anything: You are more than welcome to ask me anything. I encourage questions, and will answer them if I can. I don't know everything, however. I would also like to learn what you know, and what your perspectives are on the subjects and sectors we cover. I probably will choose at few people at random to Tell Me Something related to the topics and readings if things get too quiet.

Questions about the material, homework, or exams will not be answered via email: If you have a question, please ask it in class or in office hours. I have instructed the TA not to respond to emails asking questions that fall into this category. I have instructed myself to do likewise. On the other hand, if you have other questions or issues that relate to you personally, feel free to send an email, or talk to me after class.

Final Grades: Final grades are based on the weighted sum of the scores from problem sets and exams. **Grading is on a curve** rather than an absolute scale. This means that a final score of 80% might give you a B+ and a 90% might give you a B-. Your grade depends on your ordinal rank compared to the rest of the class. I will ask the TA to report average scores and distributions so you will know your relative standing.

Grading Rubric: I will send a solution set for problems sets and exams shortly after they are due. Good responses to problems and questions should be:

- Correct
- Clearly expressed
- Concise
- Reasonably complete
- Well-argued
- Insightful
- Use paragraphs with topic sentences.

and should not:

- Make incorrect or internally inconsistent statements

- Omit elements that are key to the question or problem

There is considerable variation in performance from year to year. This might be due to variations in my teaching, the background or preparation of the students, or the personality and standards of the TA. **My instructions to the TA are therefore that each such assignment and exam question starts with a score of 80%.** Points are added for elements that are better than the norm, and deducted for elements that are worse (and for omitted elements). The TA will only be able to determine what the norm is after reading what is turned in. I will instruct the TA to establish a consistent approach, uniformly applied, based on my solution set.

AI Policy: Many of you use AI to digest, and help you understand, complex material. This may be particularly true in the material is not in your first language. AI is a useful tool, and for better are worse, it is here to stay.

I taught myself much of the math I know, and I teach myself about new topics like encryption and quantum computing using search and AI. It turns out, however, that these are two very different things. Math, and microeconomics, cannot really be learned without doing problems. To understand, you must really internalize their logical structure, and then practice applying it. Math and micro are like archery, singing, or HVAC. To master them, you have to practice, practice, practice. On the other hand, to understand the tax code, how to drive to Chicago, or summarize an email, AI can work just fine. Therefore, here is the policy:

- Take a first pass on doing the problem sets without any AI assistance. I encourage you to talk to your classmates, however. Talking through and arguing about problems with another human is one of the best ways to learn microeconomics.
- Do not feed the problems into an AI model and get it to give you answer.
- If you feel like it is helpful to you, use AI with your own prompts to ask questions about any problem you feel hazy about. Knowing what you don't know is almost as valuable as actually knowing it. Your first pass and discussions should help you figure where your understanding is weak. Use AI to fill in this gap rather than simply giving you answers to the problem set that you don't fully understand. (This is like the difference between teaching a man to fish and giving him a fish.)
- Once you feel you have an understanding, Put your computer down. Turn away from the screen. Write your answers in your own words. If you can't write something down in a clear and concise way, you don't truly understand it. This is a litmus test I use for myself all the time. If you can't explain it, you don't understand it. Okay, you probably will have to turn back to the screen at some point to actually write you answer, but please do so without AI assistance.
- If you don't follow this policy, you will get slightly better grades on the homework (10% of your grade.) but do far worse on the exams (90% of your grade.) You are adults, and I leave the choice to you.

Office Hours

Xuerong Wang: (xuerong.wang@vanderbilt.edu) will be our TA. Office hours to be announced.

John Conley: I will generally be available on Tuesday and Thursday just after 4:00pm.If you wish to see me, please send an email, or catch after class. I sometime have to schedule other things in this time slot, so if you need to see me, please tell me before showing up. My office is 414 Calhoun Hall.

Textbook

In years past, I have assigned the following textbook: **Price Theory and Applications** by Steven E. Landsburg. However, Landsburg has a list price of around $300, and I have never been entirely satisfied with it. Complaining about the quality and price of books does not do much good, so I decided to write a book that did the job myself instead. You can find it at the URL below, and I am making it available for free. Of course, you are welcome to buy the Landsburg book, or any other intermediate microeconomics book you prefer, if you think it will be helpful.

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