

Microeconomics III: Producer behavior and monopoly

Level: Licence – Deuxième année – L2

Track: Licence 2 Économie

Semester: 3

Teaching language: CM in English, Tutorials in French for the general track, and in English for the international track

Teaching hours: 18 hours of lectures (CM) and 18 hours of tutorials (TD)

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Course Objectives

This course presents producer behavior under perfect competition and monopoly. It aims to apply the principles of marginal analysis to production decisions, to analyze the strategic choices of firms, and to understand the impact of technological choices on competition and the economy.

Course outline

The first part of the course presents the economic analysis of the firm and production technologies: producer, factors of production, production functions, and measures of productivity and returns.

The second part focuses on production decisions: cost and technology constraints, choice of production factors or technologies, supply functions, and elasticity measures.

The third part focuses on the analysis of supply depending on whether the economy is under perfect competition, monopoly, monopolistic competition, or duopoly.

Skills developed

By the end of this course, students should be able to:

- Calculate a supply function, optimize producer profit by minimizing costs or by choosing production factors;
- Identify and use the properties of different production functions;
- Understand the concepts and implications of factor returns and returns to scale, whether decreasing, constant, or increasing.

Assessment Methods

Continuous assessment consisting of two written exams and a group project.

Prerequisites

Mathematics 1 and Mathematics 3

Bibliography / references

- Picard, P. (1990). *Éléments de microéconomie : théorie et applications*. Montchrestien.
- Bowles, S. & Halliday, S. 2021. *Microeconomics. Competition, conflict and coordination*. Oxford University Press. (2022 for the electronic version)
- Varian, H. R. (2006). *Introduction à la microéconomie*. Editions de Boeck.
- Bergstrom, T. C., & Varian, H. R. (2007). *Exercices de microéconomie. Volume 1 & 2*. Éditions de Boeck.