Course Description

This course provides the foundation of consumer theory. It introduces a framework for thinking about consumer behavior and decisions about consumption, saving, and employment/leisure. Finally, uncertainty is introduced, and its impact on individual decision-making is explored.

Course Goals

By the end of the course, students will

- understand how economists model individual decision making in the context of markets
- be able to set up consumers’ optimization problem and solve basic choice
problems.

• be familiar with choice problems involving leisure and work, time, and uncertainty.

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**Grading**

80% final exam + 20% problem sets

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**Lecturer Office Hours**

By appointment Dr. Tali Regev tregev@runi.ac.il

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**Tutor Office Hours**

By appointment Yosi Ganel gyosi@runi.ac.il

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**Teaching Assistant**

Yosi Ganel – gyosi@runi.ac.il

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**Reading List**

Reading list: The textbook for the course is P&R: Pindyck and Rubinfeld's Microeconomics, 9th Edition (2018). Hardcopies and virtual copies are available through IDC's library. (You can also look at Varian, Intermediate Microeconomics – a Modern Approach)

**Topics:** Below are the topics covered by week, with corresponding book chapters in P&R.

P&R

1. Intro & Review (demand/supply, elasticities, equilibrium)........ 1,2
2. Preferences, Indifference curves, Utility ......................... 3
3. Budget, Optimal Choice ............................................. 4
4. Individual Demand, Leisure-Employment ......................4
5. Choice over time ......................................................... 4
6. Choice under Uncertainty............................................. 5