

First-year economics at Corpus

Welcome to Economics at Corpus. As the College's Tutorial Fellow in Economics, I have the overall responsibility for the teaching of economics at Corpus: and more concretely, I will teach the tutorials for your first-year ('Prelims') Microeconomics course in Michaelmas. My colleague, Luke Milsom, will teach your tutorials in Macroeconomics (in Hilary). For those of you who decide to pursue your studies of economics beyond the first year, I also give tutorials in Quantitative Economics (an introductory econometrics course, taught in Trinity term of second year).

The material below is intended to help prepare you for the first-year courses. Although only the mathematical revision is required, it would be great if you were to attempt some of the additional readings that I've suggested below.

I look forward to meeting you in October: if you have any questions before then, please feel free to email me at: james.duffy@economics.ox.ac.uk.

Mathematical revision

Mathematics is the language of modern economics; and as such it is essential that you are comfortable with the basic mathematics that is needed to describe and manipulate simple economic models. Those of you without a reasonably solid background in mathematics will have the opportunity to attend lectures on elementary mathematical methods during Michaelmas. (By 'reasonably solid' I mean A-level equivalent.) At this stage, *it is essential that both you and I have some idea of exactly how well prepared you are in mathematics*, so that I can ensure that you receive an appropriate level of support. I therefore ask that you attempt the following problems from the worksheets in the enclosed *Maths Workbook*, and submit your solutions to these to me by Wednesday of Week 0 of Michaelmas (4 October):

- Ch. 2 (p. 35): questions 1, 3, 5 and 7;
- Ch. 3 (p. 55): all odd-numbered 'quick questions' and 'longer question' 1;
- Ch. 4 (p. 75): all 'quick questions' and 'longer question' 2;
- Ch. 5 (p. 85); all 'quick questions'.

Please do not be concerned if you cannot solve some of these problems. That is perfectly fine at this stage: I just need to know precisely what level you are at when we start in Michaelmas. If you think that you would benefit from a more elaborate presentation of the material covered by the workbook, then you should consult Chapters 1–6 of Sydsæter and Hammond (2012), *Essential Mathematics for Economic Analysis*, 4th ed., Pearson. (Earlier editions of this book are also perfectly fine, and available much more cheaply!)

Textbooks

The main textbooks used in the first-year microeconomics course are:

- Perloff (2013) *Microeconomics with Calculus*, 3rd Ed., Pearson.
- Varian (2014) *Intermediate Microeconomics*, 9th Ed., W. W. Norton;

I shall assign readings from both during the term: but since the two overlap considerably, it will usually be unnecessary to read both every week. When I began teaching tutorials for this course I had a preference for Varian, but I have found Perloff to be the more accessible of the two works, and have tended to find myself using it as the primary reference for Prelims Microeconomics.

It is not necessary to purchase either book, as the Corpus library is stocked with sufficient copies to meet everyone's needs. But should you do want to purchase your own copies, any 'recent' edition of Varian or Perloff is perfectly fine. Used copies of previous editions can generally be purchased *very* cheaply online. (Note that there is also a version of Varian subtitled 'with calculus' which differs from the original only insofar as it places some of the more mathematical material in the body of the text, rather than in the chapter appendices; so the content of both versions is identical.)

If you would like to do some (*entirely optional*) preparatory reading of this material before Michaelmas term, I would suggest reading Chapters 1–5 of Perloff.

Further optional reading

I have always thought that a natural way to study economic ideas is through their historical development. Though it shares the same methodology as the natural sciences, broadly speaking, economics is not subject to quite the same degree of empirical discipline, and economic theories much more visibly bear the stamp of the intellectual environment in which they were developed. (To give a rather hackneyed example: you will see, early on, the intellectual debt that modern 'consumer theory' owes to utilitarianism.) As PPE students, you might also find it helpful to have economic ideas presented in their broader intellectual context: this is one way of bridging the gap from economics to philosophy and politics.

Two overviews of the history of economic thought that I can recommend are:

- Vaggi, G. and Groenewegen, P. (2003) *A Concise History of Economic Thought: from Mercantilism to Monetarism*, Palgrave MacMillan.
- Screpanti, E. and Zamagni, S. (2005) *An Outline of the History of Economic Thought*, O.U.P.

S&Z's book is superb, and was my constant companion throughout my own undergraduate studies. However, it is a little daunting to read if you have absolutely no prior knowledge of economics – in which case you should find V&G more accessible. S&Z will certainly become accessible to you once you've finished the first year courses, and I would highly recommend that you read it then, if not earlier.

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