Review Topics for the Second Midterm: Note the midterm will not be cumulative. You will only be responsible for topics covered in this list:

(1.) Choice Under Uncertainty

-- Terms: (1.) Expected Utility, (2.) Certainty Equivalent, (3.) Risk Aversion, (4.) Risk-Loving, (5.) Insurance, (6.) Insurance Premium

Problems: (1.) Compute certainty equivalent, (2.) Solve for asset and insurance demand.

(2.) Supply

-- Terms; (1.) Supply Curve, (2.) Profit maximization, (3.) Cost minimization, (4.) Average Cost, (5.) Marginal Cost, (6.) Fixed Cost, (7.) Marginal Cost, (8.) Isoquant, (9.) Rate of Technical Substitution, (10.) Returns to Scale, (11.) Second Order Conditions

-- Graph: (1) Isoquants, (2.) Cost curves (Marginal, Average, Total), (3.) Supply Curve

-- Problems: (1.) Profit maximization - compute input demands, (2.) Profit maximization - compute supply, (3.) Cost minimization - compute total, average, and marginal cost curves, (4.) Cost minimization - Compute Supply Curve, (5.) Determine Returns to Scale