Course Description

An introduction to graduate-level microeconomic theory, including topics such as utility maximization and individual choice, decision-making under uncertainty, producer theory (technology, costs, and profit maximization), alternative market structures (competition, monopoly, and oligopoly), general equilibrium, and the economics of information.

Precludes additional credit for ECON 5000 (no longer offered) and ECON 5001 (no longer offered).

Required Text


Other References


Readings of Interest


Topics

I. Consumer Theory

- Preferences
- Utility maximization and indirect utility function
- Expenditure minimization and expenditure function
- Marshallian and Hicksian demand functions
- Slutsky equation and Slutsky matrix
- Aggregate demand
- Revealed preferences
- Risk and uncertainty

Jehle and Reny, chapters 1 and 2


II. Producer Theory

- Production set
- Profit maximization and profit function
- Cost minimization and cost function
- Input demand and output supply functions
- Aggregation

Jehle and Reny, chapter 3

III. Equilibriums

- Perfect competition
- Equilibrium in competitive market systems
- Imperfect competition

Jehle and Reny, chapters 4 and 5

IV. Information Economics

- Adverse selection
- Moral hazard
- Competition in selection markets

Jehle and Reny, chapter 8

Evaluation

The micro mark will be calculated using the following three components:
Mathematics Quiz: 5% (To be held during tutorial time on September 25)
Midterm Examination: 45% (To be held in class on October 31)
Final Examination: 50% (To be scheduled by Scheduling and Examination Services)

Standing in a course is determined by the course instructor, subject to the approval of the Faculty Dean. This means that grades submitted by the instructor may be subject to revision. No course grades are final until approved by the Faculty Dean. Note also that course grades may be scaled upwards or downwards in a rank-preserving manner to better fit the relevant departmental distributional norm.

Course Materials

Student or professor materials created for this course (including presentations and posted notes, assignments and exams) remain the intellectual property of the authors. They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author.

Tutorials

Weekly tutorials will be conducted to demonstrate the applications of concepts and theories presented in classes.