

Microeconomics Fall 2004

Professors Karl Schlag and Pascal Courty

Course Outline

The first half of Microeconomics, taught by Karl Schlag, focuses on consumer choice, demand and production. The second half, taught by Pascal Courty, covers market equilibrium and welfare analysis.

It will be assumed that students know the related material in the "Intermediate Varian". The course itself will be based on the relevant chapters in Mas-Colell et al (1995). Readings from Varian (1999) and Kreps (1990) will supplement the first part.

- Debreu (1959) *Theory of Value* Wiley.
- Kreps (1990) *A Course in Microeconomic Theory*
- Mas-Colell, Whinston, Green (1995) *Microeconomic Theory* Oxford University Press
- Varian (1999) *Intermediate microeconomics: a modern approach*, 5th edition, New York: Norton.

Part I. Utility, Consumption and Production – Karl Schlag

Decision under Uncertainty
Preferences and Utility
Social Welfare
Optimal Consumption
Demand Theory
Consumer Surplus
Revealed Preferences
Production Sets
Profit Maximization

Part II. Market Equilibrium and Welfare – Pascal Courty

Competitive Markets
Welfare Analysis
Externality and Coase theorem
Monopoly and Market Power
Monopolistic Competition
Uncertainty and Insurance
Arbitrage and Contingent Claim
Incentives and Mechanism Design