Syllabus – Microeconomics

Leopold Sögner, Masaryk University, Brno, winter-term 2015

Title: *Microeconomics*

Lecturer: Leopold Sögner

Semester: Fall 2015

* First block: October 22-23; 2015
* Second block: November 19-20, 2015.
* Third block: December 17-18, 2015.

Contact hours (per semester): 12 units à 90 minutes

Prerequisites: Knowledge of constrained optimization

**Learning objectives:**

This micro course covers key concepts of microeconomic theory on a PhD level. In this course students acquire a basic understanding of microeconomic concepts. In addition the students get familiar with the analytical tools used in microeconomics.

**Content:**

1. Decision theory and the theory of the consumer.
   * Rationality, preference primitives and axioms, preference representations and utility (MWG 1-3, GR 2A-B).
   * Utility maximization, Walrasian demand and comparative statics (MWG, 2, 3D, GR 2C-D).
   * Indirect utility, expenditure function, Hicksian demand (MWG 3E,G, GR 3A).
   * Slutsky equation, substitution and wealth effect (MWG 3 G, GR 3B).
2. Production and cost.

* Production functions, returns to scale (GR 5).
* Production set (MWG 5 B)
* Cost minimization, conditional factor demands, cost function (MWG 5 C, GR 6.A,B,E).
* Profit maximization, input demands, profit function, objectives of the firm (MWG 5 C,G, GR 7.A,C,D).

1. General Equilibrium

* Introduction, Walrasian equilibrium (MWG 15, GR 12.A-D).
* The Edgeworth box (MWG 15B, GR 12.E).
* Welfare theorems (MWG16 A-D, GR 13).

1. Decisions under uncertainty:

* Expected utility theorem, risk aversion (MWG 6A-C,GR 17 A-D)

Language of instruction: English

**Literature:**

Mas-Colell, A., Whinston, M.D., Greem, J.R., Microeconomic Theory, Oxford University Press 1995.

Gravelle, H. Ress, R., Microeconomics, 3rd edition, Pearson education Ldt., Essex, 2004.

Additional literature:

Jehle G.A. and P. J. Reny, Advanced Microeconomic Theory, Addison-Wesley Series in Economics, Longman, Amsterdam, 2000.

Gilboa, I., Theory of Decision under Uncertainty, Cambridge University Press, 2009.

**Mode of examination:** Final test, tba. class participation.

Grading: max. 20% in the practice session:. 80% for the final.

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