

Microeconomic Theory IV

ECO 6122 (Winter 2015)

University of Ottawa

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General Description:

This is a compulsory course for the MA programme in Economics at the University of Ottawa. It introduces students to some of the main tools used by economists to analyze problems of resource allocation and decision making. Concurrently, some of the most fundamental results in economics are presented. This will enable students to read scientific articles in all fields of economics as well as use the tools for their own research. Finally, the course also intends to help students develop a rigorous method to apprehend problems in the social sciences.

Most of the material covered is drawn from selected chapters of the textbook *Advanced Microeconomic Theory*, 3rd Ed., by Jehle and Reny, 2011. Copies are available at the university bookstore. It constitutes mandatory reading. Additional useful references include:

- *Microeconomic Analysis*, 3rd Ed., by Hal Varian, 1992;
- *Microeconomic Theory*, by Mas-Colell, Whinston and Green, 1995;
- *Microeconomic Theory: Basic Principles and Extensions*, 7-8-9th Ed., by Nicholson, 2006.

Evaluation:

Problems will be assigned weekly, to be handed back the following week on Friday before 1pm. Absolutely no extension will be granted. Students are expected to be up-to-date with the class material and attendance is compulsory. **Assignments** will count for 10% of the final mark. Marking is based on effort, not on perfect answers. After submission, some assigned problems will be discussed in class. Detailed solutions will be posted on the course's website.

Students are strongly encouraged to work in teams of two or three for the assignments. However, the amount learned from an assignment is proportional to the effort put into attempting to solve the problems. One should try to solve as many end-of-chapter problems as possible.

There will be two mid-term (1.5 hour) and one final (3 hours) examinations, with weights of 20% and 50% respectively. Unless otherwise noted, mid-term examinations will take place on Wednesdays **February 4th** and **March 11th**. The date of the final exam is to be determined by the Faculty. The final exam is cumulative. There is no provision for make-up exams.

Themes:

The plan is to cover the following sections of Jehle and Reny (2011):¹

- Consumer Theory (Chapters 1 and 2)
- Producer Theory (Chapter 3)
- Markets and Welfare in Partial Equilibrium (Chapter 4)
- Markets and Welfare in General Equilibrium (Chapter 5)
- Game Theory (Chapter 7)

¹This plan is subject to change.