This course provides an introduction to microeconomic theory. It is intended for graduate students in the economics program. Some components of the course are designed to teach material that all graduate students should know while others are used to introduce methodologies. Topics of recent interest will also be covered and may include: theories of production and individual choice (under certainty and uncertainty); markets and competition; tools of comparative static and their application to price theory. There will be also an introduction to non-cooperative game theory, theory of general equilibrium and its applications and extensions. Other topics include: risk sharing, moral hazard, adverse selection (signaling, screening), mechanism design, decision making under uncertainty.

The main text for the course is


Other Textbooks:

The abbreviations in the table refer to the following textbooks:


This book is more readable and still covers much of the course material in about half as much space.


Supplementary readings include lecture notes, which I will distribute as we proceed, as well as journal articles and selections from other books.

This course is a communications intensive subject. Assignments include six problem sets (approximately one every second week) and one Essay. The problem sets will count for a total of 20% of the final grade. The Essay will count for 30%. There will also be a midterm and a final examination, which will count for 25% of the grade each.
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<tr>
<th>#</th>
<th>TOPICS</th>
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<tbody>
<tr>
<td><strong>Part I. Utility Functions and Decision-making</strong></td>
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</table>
| L1 | Preferences, Utility Functions, Revealed Preference | MWG, sections 1.B-1.D.  
JR, sections 1.2 and 2.3.  
Andreoni, James, and John Miller. "Giving According to GARP." *Econometrica* (March 2002).  
| L2 | Preferences, Utility Functions, Revealed Preference (cont.)  
Choice Under Uncertainty | Preferences, Utility Functions, Revealed Preference  
MWG, sections 1.B-1.D.  
JR, sections 1.2 and 2.3.  
Andreoni, James, and John Miller. "Giving According to GARP." *Econometrica* (March 2002).  
| L3 | Risk Aversion | MWG, sections 6.C-6.D.  
JR, section 2.4.3. |
| L4 | Problems With Utility Theory | MWG, section 6.F.  
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<tr>
<td>L5 Classical Demand Theory</td>
<td>JR, sections 1.3, 1.5.3, 1.4, 2.1, and 1.5.</td>
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<tr>
<td>L6 Classical Demand Theory (cont.)</td>
<td>JR, sections 1.3, 1.5.3, 1.4, 2.1, and 1.5.</td>
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<tr>
<td>L7 Classical Demand Theory (cont.)</td>
<td>JR, sections 1.3, 1.5.3, 1.4, 2.1, and 1.5.</td>
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<tr>
<td>Demand Aggregation</td>
<td>JR, section 2.2.</td>
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<td>R1 Price Changes and Welfare</td>
<td>JR, section 4.3.1.</td>
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<td>Part III. Producer Theory</td>
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<td>L8 Monopoly Pricing</td>
<td>MWG, section 12.B.</td>
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<td>JR, section 4.2.0.</td>
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<tr>
<td>L9 Competitive Producer Theory and Robust Comparative Statics</td>
<td>MWG, sections 5.B-5.C.</td>
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<td>JR, section 3.5.</td>
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<tr>
<td>L10 Competitive Producer Theory and Robust Comparative Statics (cont.)</td>
<td>MWG, sections 5.B-5.C.</td>
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<td>JR, section 3.5.</td>
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<tr>
<td>Part IV. Partial Equilibrium Competitive Markets</td>
<td>MWG, section 10.</td>
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Other topics:

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</table>

*Suggested Readings*  
| 2   | The Core and Convergence Theorem              | Mas-Colell, Whinston, and Green. Chapter 18B.  

*Suggested Readings*  

*Suggested Readings*  
Varian. Chapters 23 and 24.  
Mas-Colell, Whinston, and Green. Chapter 11.  
*Suggested Readings*  
Sheshinski, E. *Note on Atmosphere Externality and Corrective Taxes*. Jerusalem, Israel: Center for Rationality and Interactive Decision Theory, Hebrew University, October 1995. (Discussion Paper no. 84.)  
| 5 | Intertemporal Competitive Equilibrium | Kreps. Chapter 6, Section 5.  
Varian. Chapter 19.  
| 6 | Uncertainty with Complete Markets | Varian. Chapter 6, Section 5.  
Varian. Chapter 20.  
Mas-Colell, Whinston, and Green. Chapter 19, Parts A-E.  
*Suggested Readings* |
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<th>Incomplete Markets</th>
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*Suggested Readings*


