

Econ 501A – Microeconomic Theory

Course Syllabus

Fall 2016

University of Arizona, Department of Economics

Instructor: Asaf Plan – plan@arizona.edu

Office hours TBA and by appointment

TA: Mitch Addler – maddler@email.arizona.edu

Class time and location: Tuesday and Thursday, 11am-12:15pm, 401KK McClelland

Grading: Weekly problem sets (25%), midterm exam (30%), and final exam (45%). Our final exam is scheduled for Monday, December 12 from 10:30am to 12:30pm.

Prerequisites

Simultaneous enrollment in Econ 519: Mathematics for Economists is generally required. In addition, undergraduate real analysis and undergraduate intermediate microeconomics are both recommended.

Textbooks

One book is required and is the main reference for this course: Mas-Colell, Whinston and Green (1995), *Microeconomic Theory*. I refer to this as MWG.

A second excellent book, which is not required, is Kreps (2012), *Microeconomic Foundations I*. Kreps writes that the target audience for his book “consists of first-year graduate students who are taking the standard ‘theory sequence’ and would like to go more deeply into a selection of foundational issues, as well as students who, having taken a first-year graduate course out of one of the standard textbooks, would like a deeper dive.”

I have used two other books in previous years: Rubinstein (2012/2015-), *Lecture Notes in Microeconomic Theory*, which is available for free download at arielrubinstein.tau.ac.il/books.html. Jehle and Reny (2011), *Advanced Microeconomic Theory*, 3rd edition. A fifth related book is Varian (1992), *Microeconomic Analysis*, 3rd edition.

Course Outline

The material we cover in this course largely coincides with MWG Part One: Individual Decision Making. In MWG that material is divided into six chapters. I offer a slightly different division here, and I mention corresponding parts in Kreps’ and Rubinstein’s books.

1. Preference, choice and utility

In this part we study three approaches to modeling individual decision making in an abstract setting: preference relations, choice functions and utility functions. Our main goals are to introduce each of the three approaches and to establish conditions under which they coincide.

Our main reference is MWG chapter 1 and section 3.C. Kreps chapter 1 and Rubinstein lectures 1, 2 and 3 cover related material in greater detail.

2. Consumer choice

In this part we study the problem of a consumer choosing from a budget set. This topic is often covered in undergraduate intermediate micro. Here we study the problem more rigorously. This is largest part of the course.

Our main reference is MWG chapters 2, 3, and 4. Kreps covers much of the same material and more in his chapters 2, 3, 4, 10, 11, and 12. Similarly, Rubinstein Lectures 4, 5 and 6.

3. Preference under uncertainty

In this part we study the standard models of choice in risky situations.

Our main reference is MWG chapter 5. The corresponding chapters in Kreps are 5 and 6, and in Rubinstein, Lectures 7 and 8.

4. Producer theory

In this part we study the problem of a profit maximizing firm.

Our main reference is MWG chapter 6. Rubinstein covers this material briefly in his Lecture 6. Kreps covers this material in greater detail in his Chapter 9.

Accessibility and Accommodations

It is the University's goal that learning experiences be as accessible as possible. If you anticipate or experience physical or academic barriers based on disability or pregnancy, please let me know immediately so that we can discuss options. You are also welcome to contact Disability Resources (520-621-3268) to establish reasonable accommodations.

Please be aware that the accessible table and chairs in this room should remain available for students who find that standard classroom seating is not usable.

Links to University Policies and Resources

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