

ADVANCED MICROECONOMICS I

Fall 2019

Instructor:	GholamReza K. Haddad	Time:	Sun and Tue 8:00 – 9:30
Email:	G.K.Haddad@Sharif.edu	Place:	319-GSME, 3rd Floor.

1 Introduction

This course is a rigorous introduction to the core models of microeconomics theory. In Microeconomics I and II for Ms level we started from consumer theory and derived theoretical restrictions for consumer choices to make them consistent. Then we introduced production and firm's cost theory under very flexible conditions for production plans. In chapter 6 we dealt with decision under uncertainty, in which the demand for risky assets and insurance coverage were introduced. One of crucial part of the chapter is state dependent utility function and subjective probability, which will be covered in the present course as a pre-request for chapter four of our present course. Microeconomics II addressed game theory, competitive (partial) equilibrium, market power, externalities and public goods. In this course, the focus will be put on equilibrium over time, general equilibrium theory, equilibrium and its basic welfare properties, general equilibrium under uncertainty and social choice theory. The treatment of the topics will be fairly mathematical and it will be expected that students be familiar with principle of analysis, set theory, basic logic and optimization with inequality in restrictions of convex feasible set. By the end of this semester, the student will have the tools to not only use microeconomic models at an advanced level, but also to begin looking into research extending these basic models into more advanced applications. The core textbook is Mas-Colell, Whinston, & Greene (MWG) and lectures will generally come from that book. I highly recommend Kreps book as a very nice introduction to preference theory and choice theory. I also recommend Varian's book as a good source for basic concepts.

2 Tentative Course Outline:

1. Equilibrium and Time
 - (a) introduction
 - (b) inter-temporal utility
 - (c) inter-temporal production efficiency
 - (d) equilibrium, one consumer case
 - (e) stationary Paths, Interest Rates, and Golden Rules
2. Social choice theory
3. Equilibrium and its basic welfare properties
4. General equilibrium under uncertainty

Course Pages:

<http://gsme.sharif.edu/~g.k.haddad>

Office Hours: After class, or by appointment, or post your questions on my email.

Main References:

- Microeconomic Theory, by Mas-Colell, Whinston, & Greene (MWG). This is the bible of microeconomics. Its encyclopedic, but a reference that every economist absolutely must have and know forward and backward.

Objectives: This course is primarily designed for PhD students, however it can be interesting for Ms student as well.

Prerequisites:

Grading Policy: Homework and quizzes (30%), Midterm (35%), , Final (35%).

Important Dates:

Midterm Āzar 15, 1398

Final Exam Dey 18, 1398

Class Policy:

- Regular attendance is essential and expected.

Academic Honesty: Lack of knowledge of the academic honesty policy is not a reasonable explanation for a violation.