

ECON 610: Microeconomic Theory

McGill University

Fall 2022

Instructor

Prof. Leonie Baumann. Office: Leacock 507.

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Office hours for ECON 610: Tuesdays 10.30-11.30am.

Lectures

Tuesdays and Thursdays, 1:05pm-2:25pm, MAASS 328.

Note that due to the reading week, there will be no lecture on October 11 (Tuesday) and Oct 13 (Thursday). Exceptionally, there will be a lecture on Oct 14 (Friday), at the same time and location as the Tuesday lectures.

Course Description

Econ 610 is a course in microeconomic theory for M.A. students. It covers a broad range of topics, encompassing key topics in classical microeconomic theory and selected topics in modern microeconomic theory. Material includes consumer theory, producer theory, uncertainty, general equilibrium, game theory, imperfect competition, and economics of information and incentives.

Topics

- *Consumer theory*: preferences, utility, consumer problem, indirect utility and expenditure, consumer welfare, revealed preferences, uncertainty and expected utility
- *Producer theory*: production, costs, profit
- *Partial equilibrium*: perfect competition, imperfect competition (games of complete information with application to oligopoly), monopoly, welfare

- *General equilibrium*: pure exchange economy, production economy, equilibrium existence, welfare properties of equilibrium (efficiency, first and second welfare theorems), the core
- *Information economics*: principal-agent-model and incentive contracting
- *Mechanism design*

Teaching Assistant

Gabriel Rodriguez Rondon. Email: gabriel.rodriguezrondon@mail.mcgill.ca.
Office hours: Tbc. Conferences: Tbc.

Course Materials

The relevant slides will be uploaded before each lecture on *mycourses*. Problem sets and any other additional materials will also be posted there.

Copyright: All slides, lecture notes, etc. remain the instructor's intellectual property. As such, you may use these only for your own learning (and research, with proper referencing/citation) ends. You are not permitted to disseminate or share these materials; doing so may violate the instructor's intellectual property rights and could be cause for disciplinary action.

Communication

I will communicate announcements via *mycourses*. If you have a question,

- 1) check with your colleagues;
- 2) if 1) fails, contact the TA;
- 3) if 1) and 2) fail, contact me.

Try to keep your emails short and precise.

Textbooks

Jehle, G. A., and Reny, P. J. (2011). *Advanced Microeconomic Theory* (3rd ed.). Financial Times/Prentice Hall.

Varian, H. (1992). *Microeconomic Analysis*. 3rd ed., New York: Norton.

Mas-Colell, A., M.D. Whinston, and J. Green (1995), *Microeconomic Theory*. Oxford: Oxford University Press.

Rubinstein, A. (2012), *Lecture Notes in Microeconomic Theory: The Economic Agent*. 2nd ed., Princeton: Princeton University Press.

Kreps, D., (1990). *A Course in Microeconomic Theory*, Princeton University Press.

Gibbons, R. (1992). *Game Theory for Applied Economists*, Princeton University Press.

The relevant section will be specified in the lecture slides. Where necessary, additional readings to support the lecture will be indicated on the lecture slides.

Assessment

Your final grade will be based on problem sets (10%), a midterm exam (30%), and a final exam (60%).

Problem sets: There will be up to 7 problem sets. Problem sets are an integral part of this course. They are designed to enhance the understanding of the course material and to help develop the ability to analyze related economic problems. Each problem set is due approximately one week after it is handed out. Solutions should be submitted via *mycourses* in a single pdf-file. A sample solution will be posted online shortly after the due date and will be discussed in the TA conference. Late submissions will generally not be accepted. If you cannot submit a problem set by its due date for a valid reason (you need to provide proof of that, e.g. a valid medical note, throughout the 6 days after the problem set due date) and 1) the solution has not been posted or discussed in the TA conference yet, a late submission will be exceptionally accepted, or 2) the solution has already been posted or

discussed in the TA conference, its weight will be added to the other problem sets. Each problem set takes an equal weight in the problem set grade. The problem set grade accounts for 10% of your final grade.

Midterm exam: The midterm exam is a closed book exam and will take place in class on October 25. The midterm exam accounts for 30% of your final grade. If you miss the midterm for a valid reason (you need to provide proof of that, e.g. a valid medical note, on or before Nov 1), its weight will be added to that of the final exam. There will be no makeup exam for the midterm.

Final exam: The final exam is a closed-book, in-person, written exam and can cover all material. It will last 3 hours and will take place during the exam period in December (time and date tba, as determined by the university). The final exam accounts for 60% of your final grade.

Regrading: If you have any concerns regarding grading please get in touch with me. Mistakes in tallying scores would be corrected immediately. If you feel that an exam has been graded unfairly please let me know. In such a case you must submit your entire exam for a regrade. Requests to regrade specific questions, however, will not be entertained.

McGill Policy Statements

McGill University values academic integrity. Therefore, all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the Code of Student Conduct and Disciplinary Procedures (see www.mcgill.ca/students/srr/honest/ for more information).

In accord with McGill University's Charter of Students' Rights, students in this course have the right to submit in English or in French any written work that is to be graded.

In the event of extraordinary circumstances beyond the University's control, the content and/or evaluation scheme in this course is subject to change.

As the instructor of this course I endeavor to provide an inclusive learning

environment. However, if you experience barriers to learning in this course, do not hesitate to discuss them with me and the Office for Students with Disabilities, 514-398-6009.

McGill University is on land which has long served as a site of meeting and exchange amongst Indigenous peoples, including the Haudenosaunee and Anishinabeg nations. We acknowledge and thank the diverse Indigenous people whose footsteps have marked this territory on which peoples of the world now gather.