

ADVANCED MICROECONOMIC THEORY

This class is the first half of a sequence covering the foundations of modern microeconomic theory at a graduate level. The class covers classic consumer theory, producer theory, choice under uncertainty and general equilibrium theory.

Class Requirements

There will be 10 problem sets. These will be graded coarsely (P+, P, P-). It is strongly recommended that you attempt the problem sets yourself. You may discuss difficulties with your classmates, the TA, myself (in that order) if you are stuck.

Further, there will be 2 in-class midterms and a final exam (all are close-book). The 2nd midterm will only cover material since the first midterm. The final exam is cumulative.

Grades for the class will be based on:

- ≡ Midterm (20% each) (In class, on September 18th, October 23rd)
- ≡ Problem sets (10%)
- ≡ Final Exam (50%) (TBA)

Readings

The required textbook for the class is:

A. Mas-Colell, M. Whinston and J. Green, *Microeconomic Theory*, New York: Oxford, 1995

Other recommended readings:

- ≡ G. Jehle and P. Reny, *Advanced Microeconomic Theory*, Prentice Hall, 2011.
- ≡ D. Kreps, *Notes On The Theory of Choice*, Westview Press, 1988.
- ≡ D. Kreps, *Microeconomic Foundations I*, Princeton Press, 2012.
- ≡ A. Rubinstein, *Lecture Notes on Microeconomic Theory*, Princeton Press, 2013.
- ≡ H. Varian, *Intermediate Microeconomics: A Modern Approach*, 3rd Edition. New York: W. Norton, 1993.

In your spare time, you may want to read the following books and papers for fun. They may answer some (non-technical) questions arising in your first year.

- ≡ I. Gilboa et. al., "Economic Models as Analogies," *Economic Journal*, 2014
- ≡ H. Varian, "What Use is Economic Theory?" *unpublished manuscript*, 1989.

Class Logistics

The class meets on Tuesday and Thursday 3:30-4:45 pm at Gardner Hall 307. You are expected to attend all classes. There is no lecture on the following dates: Oct. 16th, and Nov. 27th.

Course materials (assignments and handouts) will be posted on Sakai. There will be weekly review sessions. Assignments are due in review sessions at the beginning of the lecture on the due date.

Contacting Us

My e-mail is lifei@email.unc.edu. My office is Gardner 300B. My office hours are Tuesday 4:45-5:45pm. Your TA for this course is Yi Zhong, her e-mail address is Yi Zhong yizhong@live.unc.edu. Her office hours: TBA.

Tentative Agenda

- ≡ Decision Theory (1 week)
- ≡ Consumer Choice and Utility (1 week)
- ≡ Demand Theory (2 weeks)
- ≡ Producer Theory (1 week)
- ≡ Choice under Uncertainty (2 weeks)
- ≡ Principal-Agent Model (1 week)
- ≡ General Equilibrium (4 weeks)
- ≡ Non-Market Mechanism (1 week)