

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, general equilibrium theory and matching theory.

Class Requirements

There will be problem sets weekly. These will be graded coarsely (P+, P, P-). It is strongly recommended that you attempt the problem sets by yourself. You may discuss difficulties with your classmates, the TA, myself (in that order) if you are stuck. I will assume that you also take Econ 700 and Econ 890-5.

Further, there will be 2 in-class midterms and a final exam (all are closed 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 27th, October 25th)
- 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.
- J. Levine, *Lecture Notes on Graduate Microeconomics*, Stanford, Unpublished Notes.
- 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 *unpublished manuscript*, 1989.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 2:00-3:15 pm at Dey Hall 204. You are expected to attend all classes. There is no lecture on the following dates: Oct. 20th (fall break), and Nov. 24th (Thanksgiving).

Course materials (assignments and handouts) will be posted on Sakai. There will be weekly review sessions (Friday 12:30pm, Peabody 216). Assignments are due in the beginning of the review sessions on the due date.

Contacting Us

My e-mail is lifei@email.unc.edu. My office is Gardner 300B. My office hours are Tuesday 3:00-5:00pm. Your TA for this course is Ray Wang, his e-mail address is raywang@live.unc.edu. His office hours: TBA.

Tentative Agenda

1. Decision Theory (1 week)
2. Consumer Choice and Utility (1 week)
3. Demand Theory (2-3 weeks)
4. Midterm I
5. Producer Theory (1 week)
6. Choice under Uncertainty (2 weeks)
7. Principal-Agent Model (1 week)
8. Monotone Comparative Statics (1 week)
9. Midterm II
10. General Equilibrium (4-5 weeks)
11. Non-market Trading (optional)
12. Final