ECON 6202: Advanced Microeconomic Theory
Syllabus for Fall 2012
5:30 p.m. — 8:15 p.m. M
Center City 606

Instructor: Dmitry Shapiro
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Web: http://belkcollegeofbusiness.uncc.edu/dashapir/Teaching6202.htm
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Office hours: 10:00 - 11:00; 2:30-4:30 M, or by appointment.

Course Description and Prerequisites: ECON 6202. The only prerequisite for this course is admission to graduate program. In this course I am going to cover topics of consumer and producer theory, partial and general equilibrium analysis, externalities and welfare economics.

Course Objectives: The objective of this course is to master microeconomic theory at an advanced level. The course includes mathematical derivations of important theoretical concepts.

Reading: The course will closely follow my notes that are available at http://belkcollegeofbusiness.uncc.edu/dashapir/lectures.pdf;


• New (third) edition is published by Prentice Hall, April 2011. ISBN: 0273731912. The third edition contains new topics such as Game Theory, Bayesian Games and Mechanism Design.

Course Requirements and Grading: The grades will be determined as follows:

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<tr>
<th>Component</th>
<th>Percentage</th>
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<tr>
<td>Problem Sets</td>
<td>15%</td>
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<tr>
<td>Midterm</td>
<td>35%</td>
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<tr>
<td>Final Exam</td>
<td>50%</td>
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Test dates: The midterm is going to be (tentatively!) on October 22 during the class. The date of the final exam will be announced as soon as the Registrar makes it available.

Problem Sets: There will be approximately one problem set every week. You will work on Problem Sets in two people group. Only one Problem Set needs to be submitted from the entire group. Problem Sets are an essential part of the course so you want to make sure that you put your best efforts into them.

Diversity Statement: The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.
A Tentative Course Outline
N - notes, JR - Jehle and Reny, 2nd edition

1. Introduction.

   Preferences and Utility (N 1; JR 1.2); The Consumers Problem (N 2.1; JR 1.3); Indirect Utility and Ex- 
   penditure Functions (N 2.2; JR 1.4); Properties of Consumer Demand (N 2.3; JR 1.5); Revealed Preference 
   (N 3; JR 2.3).

   Objective Probability and Expected Utility (N 4.1; JR 2.4); Subjective Probability (N 4.2; JR 2.4); Risk 
   Aversion (N 4.3-4.4; JR 2.4).

   Production Functions (N 5.1; JR 3.2); Cost Functions (N 5.2; JR 3.3); Profit Maximization (N 5.3; JR 
   3.5).

5. Partial Equilibrium.
   Perfect Competition (N 6; JR 4.1); Equilibrium and Welfare (N 6; JR 4.3).

   The Edgeworth Box Exchange Economy (N 7; JR 5.1); Exchange Economies (N 7.1; JR 5.2); The Efficiency 
   of Competitive Equilibria (N 8; JR 5.2.2); General Equilibrium with Production (N 9; JR 5.3).

   Externalities; Public Goods; Pigouvian Taxes; Coase Theorem (N 10).

8. Monopoly.
   Monopoly (N 11); First-, Second- and Third-Degree Price Discrimination (N 12).

9. Information Economics.
   Adverse Selection (N14; JR 8.1).

    Social Choice and Arrows Theorem (N 13; JR 6.2).

11. Game Theory.

12. Review