Advanced Microeconomics

The aim of this course is to give students a solid foundation of formal microeconomic modeling. For this reason we will focus on standard microeconomic topics starting from consumer and producer theory, general equilibrium analysis. We will also cover in details choice under uncertainty. Recall that other important microeconomic topics are covered in my separate lectures: general equilibrium (233460-0089), industrial organization (230250-0089), game theory (222940-0089) or welfare economics (233190).

Formally we will follow lectures, problems and notation from QEM program taught a.o. in Barcelona, Paris, Venice and LLN. Some new stuff will be posted consecutively. All that can be found on our webpage. This material is essential to prepare for a December exam (coordinated with Paris).

A standard textbook at this level is Mas-Colell, Whinston, and Green (1995) and two alternative are Kreps (2012) and Jehile and Reny (2011). Additionally you may follow selected chapters from Rubinstein (2006). The course aims to be formal hence students are expected to be at least not afraid of basic mathematical tools including: calculus, (smooth) constrained optimization, convex analysis or linear algebra. Knowledge of mathematical appendix of Mas-Colell, Whinston, and Green (1995) should suffice.

Final result is composed from Your: common (Paris) exam (40%) in December, homework (30%) and midterm (Warsaw) exam (30%). Acceptance for QEM is based on ranking lists based on the above criteria.


5. Expected utility. von Neumann-Morgenstern Expected Utility
   **Readings:** Mas-Colell, Whinston, and Green (1995) chapter 6A-B

6. Risk and uncertainty. Measuring risk
   **Readings:** Mas-Colell, Whinston, and Green (1995) chapter 6C-D

7. Production theory 1. Production set. Profit maximization


    **Readings:** Mas-Colell, Whinston, and Green (1995): 16

Final exam, Dec,

Both exams are based on topics and problems discussed during the course and posted on the web pages of the instructors. The homework list will be posted consecutively on the web. It is your responsibility to get it from there. Homework is due in class on the due date. Remember that homework is the most valuable part of the course. Always write correct English with complete sentences. You may talk about the problems with other students, but you must write up your own solutions in your own words.

We welcome questions at any time. Please don’t hesitate to ask us during class if there is something that you don’t understand or that you want to discuss. (The only exception is a question about the grading of your homework or exam paper. Please ask these questions before or after class, or in office hours.) You may also ask questions in office hours, or any other time that you catch us in my office. You may also ask questions by email.

While studying you may find useful to use various scientific paper browsers like e.g.: econpapers.repec.org, ideas.repec.org and scholar.google.com; article databases, e.g. www.jstor.org, www.sciencedirect.com and www.nber.org.

We invite all interested in economic theory to participate in Warsaw Economic Seminar (sites.google.com/site/warsaweconseminars/).

References


