Economics 804: Microeconomics I
Fall 2010

This is the first course in the graduate microeconomics sequence. It covers individual decision making and optimization mainly in the context of consumption and production theory. Its purpose is to prepare students for work in applied economics and for further work on economic theory.

Recommended Textbooks


I will follow Mas-Colell, Whinston, and Green (henceforth MWG) closely in my lectures. If you find that you are having trouble with MWG, Varian is a good supplementary text to turn to.

Grading

Your course grade will be computed as follows: 20% Homework, 30% Midterm Exam, and 50% Final Exam. There will be approximately 6 homework assignments. You can discuss the homework questions with your classmates, but you will need to write up the answers independently. No make-up exam for the midterm will be given; students who have a pre-approved excuse for missing the midterm will have the final exam counted for 80% of the grade.

Course TA

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Your GTA will be responsible for grading your problem sets and leading recitation sessions on Fridays.

Course Outline

I. Consumer Theory

MWG. chapter 1.

**Consumer Choice.** Demand functions and comparative statics. The weak axioms of revealed preference and the law of demand.


**Duality.** Hyperplanes and halfspaces. Separating and supporting hyperplane theorems. Duality results for the expenditure function. The implications of convexity and monotonicity. Recovering the utility function from an expenditure function. Recovering the direct utility function from an indirect utility function.

MWG: chapter 3.

**II: Producer Theory**


III: Partial Equilibrium


IV: Uncertainty and Risk Aversion


**Selected Applications.** A simple insurance model. A simple portfolio model. Comparative statics in the simple portfolio model: the effects of initial wealth and risk attitudes (decreasing absolute risk aversion; decreasing relative risk aversion).


Students with disabilities that have been certified by the Office for Disability Services will be appropriately accommodated, and should inform the instructor as soon as possible of their needs. The Office for Disability Services is located in 150 Pomerene Hall, 1760 Neil Avenue; telephone 292-3307, TDD 292-0901; http://www.ods.ohio-state.edu/.