

WWS511d: Microeconomic Analysis (Accelerated)

Course Syllabus

Instructor:

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Office Hours: Mondays 1:00 – 3:00pm

Course Objectives:

This course covers many of the key concepts from microeconomic theory, including consumer and producer theory, competitive markets, market power, information and contracts. The emphasis of the course is on developing a formal, model-based treatment of these subjects and applying them to various relevant policy issues.

The course is intended for those students who are already familiar with microeconomic concepts (at the level of 511c) and have an appropriate level of mathematical proficiency, including knowledge of multivariate calculus (including constrained optimization), basic probability, and some familiarity with linear algebra. One of the goals of the course is to develop the students' technical skills to a point where they can read the professional literature at the level found in graduate level economics courses. In an effort to meet this goal, we will spend some lecture time reviewing journal articles in a student-led format.

Textbook:

H. Varian, *Microeconomic Analysis*, W.W. Norton & Company, 1992

Other suggested textbooks are:

W. Nicholson, *Microeconomic Theory*, Dryden Press, 2002

G.A. Jehle, P.J. Reny, *Advanced Microeconomic Theory*, Addison-Wesley, 2000

A. Mas-Colell, M.D. Whinston and J.R. Green, *Microeconomic Theory*, New York and Oxford, Oxford University Press, 1995

These optional textbooks are listed in the order of least to most mathematical in their treatment of the subject. Nicholson in general has a good exposition of the concepts and

employs calculus sparingly. Jehle and Reny includes a calculus-based approach to the theory, but is still quite readable. Mas-Colell, Whinston and Green is the standard text for economics PhD students and presents the most rigorous treatment of the subject matter. It is recommended for those intending to pursue doctoral research in the field.

Requirements and Grading:

Each student is evaluated on their performance in the following course requirements: participation in lectures including a class presentation, problem sets, a midterm exam and a final exam. Problem sets will be lightly graded (check, check+, check-). I encourage you to work together on them, however everyone must write up and turn in their own problem sets. In the class presentation, each student, either alone or in a group, must lead the discussion of one of the journal articles we will read in the latter half of the semester.

The final grade is determined by weighing each requirement by the following amounts:

Midterm Exam	40%
Final Exam	50%
Paper Presentation	10%

The problem sets grades will only influence the final grade if a student does extremely well or extremely poorly on them. Achieving a check+ on nearly every assignment will potentially move the final grade up. Consistently poor performances on the problem sets may lower the final grade.

Course Outline:

- I. Consumer Theory (7 lectures);
Varian: Chapters 7-10
- II. Producer Theory (3 lectures)
Varian: Chapters 1-6
- III. Competitive Markets – Partial Equilibrium Analysis (1 lectures)
Varian: Chapter 13
- IV. Market Failures (6 lectures)
Varian: Chapters 14-16, 23-24
Industrial Organization paper (TBD)
 - * Monopoly (1 lecture)
 - * Oligopoly & Game Theory (3 lectures)
 - * Externalities & Public Goods (2 lectures)
- V. Competitive Markets – General Equilibrium Analysis (2 lecture)
Varian: Chapters 17-19, 21

Public Finance paper (TBD)

VI. Information and Contracts (4 lectures)

Varian: Chapters 11, 25

Esther Duflo paper

* Decision-Making Under Uncertainty

* Asymmetric Information

* Mechanism Design