

Microeconomic Theory I

Course Syllabus - Summer 2018

Institute for Advanced Studies in Finance and Economics
Hubei University of Economics
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Course Description

This course analyzes the individual behavior of individuals, consumers, and firms. The focus of the course will mainly be theoretical, although several applications and empirical implications will be discussed.

The main objective of the course is to make you be able to apply the tools of advanced microeconomic theory to understand and model individual decision making. In addition, the topics learned in this course should prepare you for a better understanding of the concepts he/she will learn in Micro II and/or Micro III. Furthermore, the theoretical approach of the course (and many of the mathematical tools explained) will set stronger foundations for analyzing economic problems, not only from a microeconomic perspective but also in other fields in economics.

Prerequisites:

Intermediate Microeconomics is recommended and some college algebra and calculus is also expected. Dr. Chen Songqing will cover some basic mathematics used in Microeconomics in the afternoon sessions.

Suggested Textbooks

Guoqiang Tian, *Advanced Microeconomics*, Renmin University Press (In Chinese), 2016.

Mas-Collel, A., Michael D. Whinston and Jerry R. Green, *Microeconomic Theory*, Oxford University Press, 1995. Mainly Chapters 2,3,4,5,6, 10

Thomas Nechyba, *Microeconomics: An Intuitive Approach with Calculus*, Cengage Learning Press, 2010.

Hal R. Varian, *Microeconomic Analysis*, W.W. Norton & Company, 1992.

Course Outline

The course schedule is tentative and subject to change depending upon the progress of the class.

- 0: Mathematics in Microeconomics (Given by Dr. Chen): Tian, Chapter 2.1-2.6,2.10-2.11.
- 1: An Introduction to Microeconomics: MWG, Chapter 1-2.
- 2: Preferences and Utility Functions: Tian, Chapter 3.1-3.3; MWG, Chapter 3A-3C.
- 3: Utility Maximization and Expenditure Minimization: Tian, Chapter 3.4-3.5; MWG, Chapter 3D-3E.
- 4: Relationship between Demand, Indirect Utility, and Expenditure: Tian, Chapter 3.6-3.7; MWG, Chapter 3.G.

- 5: Topics in Demand Theory: Revealed Preferences and Measuring welfare changes: Tian, Chapter 3.8; MWG, Chapter 2.F, 3.I. J.
- 6: Production I: Tian, Chapter 4.1-4.3; MWG, Chapter 5.A-5.C.
- 7: Production II: Tian, Chapter 4.4-4.5; MWG, Chapter 4.4-4.5.
- 8: Choice Under Uncertainty I: Tian, Chapter 5.1-5.3; MWG, Chapter 6A-6B.
- 9: Choice Under Uncertainty II: Tian, Chapter 5.4; MWG, Chapter 6C-6E.
- 10: Competitive Markets: Tian, Chapter 9.2; MWG, Chapter 10.

Time Schedule

The morning sessions meet from 8:30am-11:30am and the evening sessions meet from 6:30pm-9:00pm.

Date	Morning	Evening
8/19	Introduction and Preferences and Utility Functions	Basic Mathematics I
8/20	Utility Maximization and Expenditure Minimization (HW I)	Basic Mathematics II
8/21	Break	
8/22	Relationship between Demand, Indirect Utility, and Expenditure	
8/23	Topics in Demand Theory (HW II)	
8/24	Break	
8/25	Producer Theory I	
8/26	Producer Theory II (HW III)	
9/15	Choice Under Uncertainty I	
9/16	Choice Under Uncertainty II and Competitive Markets (HW IV)	

Course Grading

The course grading includes four homework assignments (10% for each) and a final exam (60%). More details will be covered in class.