Overview and Objectives

The first part of the course covers the very basics of consumer theory under certainty and derives conditions under which aggregation can be done through a representative consumer. We then analyze choice under uncertainty and over time, followed by an introduction to strategic behavior with some macroeconomic applications.

The second part of the course is devoted to general equilibrium models and the pricing of risk and time. We study how several markets clear simultaneously and derive welfare properties under various market conditions. This leads naturally to applications in Financial Economics.

Course Outline

PART 1
Ch 1 Choice and Preferences
Ch 2 Demand Theory
Ch 3 Aggregation
Ch 4 Choice under Uncertainty and over Time
Ch 5 Game Theoretical Models of Strategic Behavior and Applications

PART 2
Ch 6 Equilibrium
Ch 7 Efficiency
Ch 8 Dynamics
Ch 9 Uncertainty
Ch 10 Market Failure
12M002
Foundations of Equilibrium Analysis

Required Activities

Evaluation
The grade is based on a final exam and a series of problem sets.

Materials
Jehle, Reny (2001), Advanced Microeconomic Theory
Varian, H.R. (1992), Microeconomic Analysis