ECONOMICS 601
Graduate Microeconomic Theory I

Administrative Details

Instructor: Phil Graves
Economics Bldg. Rm 223
Office Hours M-W 10:15-11:45
Office Phone X7021

Texts:

We shall be jointly reading the relevant sections of each of these three books. There will be some additional readings (at Kinko's).

Exams: 1) Midterm 40% 2) Final 60%

Class Format: There will be two class meetings a week (this term MW 9:00-10:15).

Prerequisites: Prerequisites for 601 are either a logical mind or:
1) Intermediate microeconomics
2) Differential calculus (in a mathematics department), and
3) Mathematical economics (e.g. Chapters 1-12, 18-20 of Chiang).

A Brief Course Description:

We shall be examining the positive and normative aspects of the three basic economic questions: WHAT, HOW, and FOR WHOM? Toward that end, we shall
discuss methodology, the theory of the firm, the theory of the consumer, theories of the market, distribution theory, general equilibrium, and welfare economics. Time permitting (this is unlikely) additional topics will be taken up. All of these topics will be covered at some level, although some will receive further emphasis in 603 and will be treated only cursorily here.

Preliminary Reading Schedule

I. Introduction: Economics as a Social Science

McCloskey: Introduction
Baumol: Chapters 1 and 13 (and mathematics chapters 2-4)
Varian: Chapter 0 (scan mathematics appendices for "feel")
Class Notes

II. The Theory of the Firm

McCloskey: Chapters 8, 11, 12
Baumol: Chapters 5, 6, 11, 12 (Chapters 5, 6, and 12 may turn out to be optional)
Varian: Chapters 1 and 4 (Sections 4.1 - 4.4)
Class Notes

III. The Theory of the Consumer

McCloskey: Chapters 1, 2, 3
Baumol: Chapters 9, 10, 22
Varian: Chapters 3, 4 (Sections 4.5 - 4.7)

IV. Theories of the Market

McCloskey: Chapters 13, 14, 16, 17, 18, 19, 20, 21
Baumol: Chapter 14
Varian: Chapter 2
Class Notes

V. Theories of Distribution to Land, Labor, and Capital

McCloskey: Chapters 22, 23, 24, 25, 26
Baumol: Chapters 17, 18, 19

VI. Introduction to General Equilibrium Theory

McCloskey: Chapters 5, 6, 7 (exchange)
Baumol: Chapters 15, 16 (Sections 16.1 - 16.8)
Varian: Chapter 5 (Chapter 6 optional)

VII. Introduction to Welfare Economics
McCloskey: Chapters 9, 10
Baumol: Chapter 16 (Sections 16.9 - 16.13) (Chapter 21 optional)
Varian: Chapter 5, 7

VIII. Additional Topics (time permitting)

Baumol: Chapters 20, 23, 24, 25
Varian: Chapter 8