I will pass out approximately 7 problem sets during the term. You are not required to hand them in, but you are strongly urged to do as many as possible. The questions guide and solidify your learning of the textbook material. If you cannot complete all of the questions, I urge you to work cooperatively with some other students.

There will be two exams during the term. The mid-term will be worth 40% of your grade and the final will be worth 60%.

**Principal Texts:**


Green, *Consumer Theory*, Macmillan.


**Other References**

Rasmusen, *Games and Information*, Blackwell.

Luce and Raiffa, *Games and Decisions*, Wiley.


Hicks, *Value and Capital*, Oxford.

Robinson, *Economics of Imperfect Competition*, Macmillan.
Arrow and Hahn, *General Competitive Analysis*, Holden Day.

I. Consumer Theory Part I: Static World with Perfect Certainty

(A) Preferences and Utility Theory

Deaton and Muellbauer, Chs 1, 2.1
Varian, Chs 3.1-3.3
Henderson and Quandt, Chs 2, 3.1-3.3
Green, Chs 2,3,6
Kreps, Ch 2.1

(B) Demand Functions, Comparative Statics

Deaton and Muellbauer, Chs 2.2-2.4, 11.1-11.2, 4.1
Varian, Chs 3.3-3.10
Henderson and Quandt, Chs 2, 3.1-3.3
Kreps, Chs 2.2-2.3
Green, Chs 4,5,7

(C) Index Numbers and Revealed Preference

Deaton and Muellbauer, Chs 2.6
Varian, Chs 3.10
Henderson and Quandt, Chs 3.5
Green, pp. 121-127

(D) Duality

Deaton and Muellbauer, Chs 2.3, 2.5
Varian, Chs 3.4-3.8, 4.5-4.7
Henderson and Quandt, Ch 3.4
Green, pp. 138-139, chs 9.1-9.2
(E) Consumer's Surplus, Compensating and Equivalent Variation
Deaton and Muellbauer, Ch 7

(F) Aggregation, Market Demand, and Separability
Deaton and Muellbauer, Chs 5, 6
Green, Chs 9.3-9.5, 10.1-10.2

(G) Characteristics and Quality
Deaton and Muellbauer, Ch 10
Green, Ch 10.3-10.4

II. Consumer Theory Part II: Intertemporal Choice
Deaton and Muellbauer, Ch 12
Green, Ch 11, 12
Kreps, Ch 4

III. Consumer Theory Part III: Decision Making Under Uncertainty
Green, Chs 13.14
Deaton and Muellbauer, Ch 14
Kreps, Ch 3
Varian, Chs 3.13-3.15

IV. Production Theory Part I: Production and Cost Functions
(A) Technology and Cost
Kreps, Ch 7
Varian, Chs 1.2-1.8
Henderson and Quandt, Chs 4,5.1-5.7

(B) Duality
Kreps, Ch 7
Varian, Chs 1.9-1.13, 4.1-4.4

V. Production Theory Part II: Market Structure
(A) Competitive Markets and Partial Equilibrium Analysis
Kreps, Ch 8
Varian, Chs 2.2-2.3
Henderson and Quandt, Chs 5, 6, 12.3-12.6
(B) **Monopoly**

Kreps, Ch 9  
Varian, Chs 2.1, 2.4, 2.10

(C) **Oligopoly**

Kreps, Ch 10  
Varian, Chs 2.6-2.9  
Henderson and Quandt, Ch 8

(D) **Monopolistic Competition**

Kreps, Ch 10  
Varian, Ch 2.5  
Henderson and Quandt, Ch 7.5  

(E) **Contestable Markets**


VI. **Noncooperative Game Theory**

(A) **Basic Concepts**

Kreps, Ch 11

(B) **Solution Concepts**

Kreps, Ch 12