Economics 7010
Graduate Microeconomics Theory
Course Outline and Reading List

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September, 1991

I will pass out 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 50% of your grade and the final will be worth 50%.

Principal Texts:
Deaton and Muellbauer, Economics and Consumer Behavior,
Cambridge.

Kreps, A Course in Microeconomic Theory, Princeton.

Varian, Microeconomic Analysis, Norton.

Green, Consumer Theory, Macmillan.

Henderson and Quandt, Microeconomic Theory (third edition),
McGraw-Hill.

Other References
Rasmussen, Games and Information, Blackwell.

Luce and Raiffa, Games and Decisions, Wiley.

Samuelson, Foundations of Economic Analysis, Atheneum.

Hicks, Value and Capital, Oxford.

Koopmans, Three Essays on the State of Economic Science, McGraw-
Hill.
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 4.1-5.7

   (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) **Monopolistic Competition**

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