

## **MICROECONOMICS – Individual decision making and General Equilibrium –**

**Margherita Saraceno**

Hours of lectures: 18 (+ 7 tutorials)

The course provides some of the basic tools of economic modeling and reasoning. It covers choice, preferences, and utility; basics of consumer demand; competitive and profit-maximizing firms; expenditure minimization; duality; an introduction to the general equilibrium theory.

The purpose of the course is providing the students with tools that are essential to study several topics in microeconomics, but also a wide range of economic problems in general. An overview of course's contents is outlined below, with the indication of the textbooks, which can be used alternatively. A more precise syllabus will be provided during the course.

1. Individual Decision Making
  - a. Consumer Choice
  - b. Production
2. General Equilibrium Theory
  - a. The Edgeworth Box and The Robinson Crusoe Economy
  - b. The First Fundamental Welfare Theorem
  - c. Definition of a Walrasian Equilibrium

The 6 lectures of 2 hours and 30 minutes (including a 15-minute break) are arranged according to the calendar below.

Problem sets (homework) will be provided during the course. They are discussed during three specific tutorials. Homework resolutions are taken into account in the final mark (see Final Exam).

## Proposed References

Mas-Colell A., M.D. Whinston and J.R. Green (1995). *Microeconomic Theory*. New York: Oxford University Press.

Kreps D. (2012) *Microeconomic Foundations I: Choice and Competitive Markets*. Princeton University Press.

Rubinstein A. (2006) *Lecture Notes in Microeconomic Theory*. Princeton University Press.

Varian H.R. (1992) *Microeconomic Analysis*. New York: Norton

## Final exam

The final exam will consist in one question in one hour and it will count for 60% of the final mark in *Individual decision making and General Equilibrium*. 40% of the final mark is provided by the average of the marks obtained in the second and the third homework (the first homework is not evaluated).

## Calendar

17/1/2016	h. 9.00–12.00	Lecture
19/1/2016	h. 9.00–12.00	Lecture
25/1/2016	h. 9.00–12.00	Lecture
27/1/2016	h. 9.00–12.00	Lecture
31/1/2016	h. 11.30–13.30	Correction Homework 1
1/2/2016	h. 9.00–12.00	Lecture
3/2/2016	h. 9.00–12.00	Lecture
7/2/2016	h. 14.30–16.30	Correction Homework 2 (evaluated)
15/2/2016	h. 12.30–15.30	Correction Homework 3 (evaluated)

## Office hours

Please send an email to [margherita.saraceno@unimib.it](mailto:margherita.saraceno@unimib.it). Homeworks will be discussed and corrected by Laura Abrardi ([laura.abrardi@unicatt.it](mailto:laura.abrardi@unicatt.it)).