

## Syllabus

### **Contact details.**

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Office Hours: by appointment

Course website: <https://elearning.unimib.it/course/index.php?categoryid=10727>

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### **Course description and objectives.**

This course is the first module of the Microeconomics sequence for the DEFAP-ECOSTAT PhD program in Economics. The module consists of seven lectures covering the following topics: preferences and utility, consumer choice, classical demand theory, revealed preferences, production, choice under uncertainty and general equilibrium theory. The lectures will cover each topic presenting the main theoretical results as well as discussing relevant applications. Complementing the lectures, there will be six hours of recitations (esercitazioni), divided into three 2-hour sessions.

The course aims to provide students with a brief but rigorous introduction of essential topics in microeconomic theory.

### **Prerequisites.**

Since this is a PhD-level class, a certain level of mathematical preparation and maturity is expected. Familiarity with multidimensional calculus and constrained optimization is especially important.

### **Course Materials.**

The lectures will often refer to and closely follow the relevant chapters in:

- Mas-Colell, A., Whinston, M. D., & Green, J. R. (1995). *Microeconomic theory*. Oxford University Press. (hereafter, MWG)

The majority of homework problems appear in MWG as exercises. Students are highly encouraged to obtain a copy of MWG and consult it frequently.

The following papers will be also discussed in class:

- Blundell, R. W., Browning, M., & Crawford, I. A. (2003). “Nonparametric Engel curves and revealed preference”. *Econometrica*, 71(1), 205-240.
- Crockett, S., Friedman, D., & Oprea, R. (2021). “Naturally occurring preferences and general equilibrium: A laboratory study”. *International Economic Review*, 62(2), 831-859.
- Dembo, A., Kariv, S., Polisson, M., & Quah, J. K. H. (2021). “Ever Since Allais” (No. W21/15). *IFS Working Paper*.
- Dufwenberg, M., Heidhues, P., Kirchsteiger, G., Riedel, F., & Sobel, J. (2011). “Other-regarding preferences in general equilibrium”. *The Review of Economic Studies*, 78(2), 613-639.
- Echenique, F., Lee, S., & Shum, M. (2011). “The money pump as a measure of revealed preference violations”. *Journal of Political Economy*, 119(6), 1201-1223.

### Homework.

Three problem sets will be handed out to students, roughly once a week (consult Lecture schedule for precise dates). Students are highly required to hand in solutions. Solutions will be provided during recitations (esercitazioni).

**Working on the problem sets is possibly the best way to learn the material. I recommend you do so.**

### Assessment.

Students will be assessed on the basis of their performance in the final exam.

### Lecture schedule.

| Lecture | Date and time          | Topic                    | Reference              | Notes          |
|---------|------------------------|--------------------------|------------------------|----------------|
| 1       | Fri 24/11, 10:30-12:30 | Preferences and Utility  | MWG 1A-B, 3A-B-C       |                |
| 2       | Mon 27/11, 10:30-12:30 | Consumer choice          | MWG 2A-B-C-D-E         |                |
| 3       | Tue 28/11, 10:30-12:30 | Classical demand theory  | MWG 3D-E-G             | PS1 handed out |
| 4       | Mon 4/12, 10:30-12:30  | Production               | MWG 5A-B-C-E-F         |                |
| 5       | Tue 5/12, 10:00-13:00  | Choice under uncertainty | MWG 6A-B-C-D           | PS2 handed out |
| 6       | Fri 15/12, 10:30-12:30 | General equilibrium I    | MWG 15A-B-C            | PS3 handed out |
| 7       | Mon 18/12, 10:30-12:30 | General equilibrium II   | MWG 16A-B-C-D, 17A-B-C |                |

**Recitation schedule.**

| Recitation | Date and location      | Topic         |
|------------|------------------------|---------------|
| 1          | Wed 06/12, 09:30-11:30 | Problem set 1 |
| 2          | Tue 12/12, 14:30-16:30 | Problem set 2 |
| 3          | Wed 20/12, 14:30-16:30 | Problem set 3 |