

**Econ 6110: Advanced Microeconomic Theory**

Prof. Jordi Jaumandreu

Email: jordij@bu.edu, j.jaumandreu@northeastern.edu

Lectures: T and F, 9:50-11:30 am. Office hours: T and F, 11-30 am- 12:30 pm.

Course overview: This is an advanced course in microeconomic theory. It starts with the individual decision making or theories of consumer and the firm, including choice under uncertainty. Then it moves to explore the equilibrium and properties of competitive markets, where consumer and agents interact freely, and the market failures or situations in which the market doesn't provide a suitable outcome: Externalities and public Goods, Market Power, and Information problems. Finally, the course will review the theory of general equilibrium in the economy.

Prerequisites: You need to know Calculus and have a basic grasp of Linear Algebra (see Textbooks).

Assessment: Grades will be determined by two midterms (25% each) and a comprehensive final (50%), scored to the topics of the third part of the course. Midterms and final will contain the same type of exercises that the problem sets. Problem sets must be finished and handed in time and, if required, will be the object of class discussion, but will not formally graded.

Textbooks: We will follow

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

but the student may find useful to check the treatment contained at

Varian, H. (1992), *Microeconomic Analysis*. Norton.

Mas-Colell, Whinston and Green contains a Math Appendix. For deeper or more extensive treatments the student should look at the references in this Appendix.

## Course Outline

(numbers are Chapters of the textbook)

### Individual Decision making

1. Preferences and Choice.
2. Consumer Choice.
- 3 . Classical Demand Theory.
4. Aggregate Demand.
5. Production.
6. Choice Under Uncertainty

Midterm 1: March 3

### Market Equilibrium and Market Failure

10. Competitive Markets.
11. Externalities and Public Goods.
12. Market Power.
- 13 Adverse Selection, Signaling and Screening.
14. The Principal-Agent Problem.

Midterm 2: April 4

### General Equilibrium

15. General Equilibrium Theory: Some Examples
16. Equilibrium and Its Basic Welfare Properties

Final: To be fixed by university