

Microeconomics I

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The following topics will be covered:

1. Preferences and Utility Representation
2. Abstract Choice
3. Demand Theory, Producer Theory.
4. Uncertainty and the Expected Utility Theorem.
5. Risk Aversion.
6. Existence of Competitive Equilibrium. The Fundamental Theorems of Welfare Economics.
7. Foundations of Competitive Equilibrium via the Core.
8. Standard instances of Market Failure - Public Goods and Externalities. Introduction to private information and the VCG mechanism.

I shall be relying mainly (though not exclusively) on the the following text books.

- Ariel Rubinstein: “Lecture Notes in Microeconomic Theory: The Economic Agent”. This book is freely downloadable (legally) from the net. This will be the primary text for topics 1-5.
- Mas Colell, Green and Whinston: “Microeconomic Theory”.

Other books I would like to mention are:

- Jehle and Reny: “Advanced Microeconomic Theory”.
- Kreps: “Microeconomic Foundations I: Choice and Competitive Markets”.

These books have large numbers of exercises at the end of each chapter. I will assign some of them in various problem sets. You are however encouraged to attempt as many as you can, even those that are not officially assigned.