

Economics 721: Microeconomic Theory I Fall Term 2018

Instructor: Seungjin Han

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Office Hours: 4:00 - 5:00 pm on Thursdays or by appointment

Class Schedule

Term: Monday Sept. 10 – Friday, Dec. 7

Mid-term Recess: Monday Oct. 8 - Saturday Oct.14

Class Time: 9:30 - 10:50 am on Tuesdays, 11:00 - 12:20 pm on Thursdays

Location: LRW 5001

Course webpage: available at Avenue

Teaching Assistant

Richard Zhou

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Objective

This course covers basic graduate-level microeconomic theory. It includes uncertainty, Walrasian equilibrium, Arrow-Debreu equilibrium, Radner equilibrium, competitive market under adverse selection, contract theory. Students are expected to be familiar with linear algebra, optimization technique, and basic real analysis.

Term Test/Final exam

There will be two in-class term tests and a three-hour final exam. Students should refer to the Statement on Academic Ethics and the Senate Resolutions on Academic Dishonesty. Two term tests are scheduled as follows:

Test 1: 11:00 am -12:20pm, October 4 (Thursday)

Test 2: 11:00 am -12:20pm, November 15 (Thursday)

The date and time for the final exam are to be scheduled later.

Problem Sets

Practice questions will be posted on a course website or announced in class. They are essential to prepare for the term test and final exam.

Assessment

The test for the preparatory math will receive a weight of 10%. There will be three assignments. The weight for each assignment is 5%. The weight for each term test is 15%. The weight for the final exam is 45%. A student who does not hand in his/her

assignment within a deadline will not receive any marks for it. A student who misses the mid term test without a medical excuse will receive a grade of zero for the test. If a student misses the mid term test with a medical excuse, the weight of that test will be moved forward onto the final exam.

E-mail Communication Policy

Effective September 1, 2010, it is the policy of the Faculty of Social Sciences that all e-mail communication sent from students to instructors (including TAs), and from students to staff, must originate from the student's own McMaster University e-mail account. This policy protects confidentiality and confirms the identity of the student. It is the student's responsibility to ensure that communication is sent to the university from a McMaster account. If an instructor becomes aware that a communication has come from an alternate address, the instructor may not reply at his or her discretion.

Key Reference/Textbook

"Microeconomic Theory," Andreu Mas-Colell, Michael D. Whinston, and Jerry R. Green. Oxford University Press, 1995 (henceforth, MWG)

References

"Advanced Microeconomic Theory," Geoffrey A. Jehle and Philip J. Reny, 3rd edition 2010, Addison Wesley

"Game Theory," Drew Fudenberg and Jean Tirole, 1991, MIT Press (henceforth FT)

Schedule

- Choice Uncertainty (MWG chapter 6)
- General Equilibrium and Welfare (MWG chapters 15, 16)
- Arrow-Debreu Equilibrium (MWG 19.A, 19.B, 19.C, 19.D)
- Radner Equilibrium and related topics (MWG 19.E, 19.F, 19.G, 19.H)
- Competitive Market under Adverse Selection (MWG 13.A, 13.B, 13.D)
- Contract Theory (MWG 14.A, 14.B, 14.C, 14.D)
- Optimal mechanism design with a single agent (FT 7.3) - if time permitted