

Microeconomics I (Fall 2017)

Behrang Kamali, Mohammad Morovati

Description

Microeconomics is the formal study of how individuals respond to incentives and how those responses shape social outcomes. The principal themes of the course will be the theory of consumer and producer (firm) behavior, the equilibrium reached between these individuals when markets are perfectly competitive, and what happens when markets are imperfect, or fail entirely. The course emphasizes the development of the mathematical tools needed to reason carefully about incentives and necessitates a taste for long chains of reasoning.

This course is *not* a laundry list of facts to memorize or recipes to follow. Rather, its purpose is to change the way you think. This will be accomplished by posing questions whose answers will challenge your intuition. What will be important is not merely recording the answers but understanding the reasoning process by which one arrives at them. It is the reasoning process rather than the answer itself that you should absorb.

Instructor:

Behrang Kamali, email: kamali.behrang@gmail.com;
Mohammad Morovati, email: m.morovati@gmail.com.

Textbook

Mas-Colell, A., Whinston, M.D. and Green, J.R., 1995. Microeconomic theory (Vol. 1). New York: Oxford university press.

Lecture Notes

For the first part: Lecture notes by Professor Rakesh Vohra.

For the second part: Lecture notes by Professor Nolan Miller, available at [Nolan Miller's notes](#).

Slides, homework problems, solutions and other material is *not* for distribution to those outside of the current class.

Grading

The final grade will depend on

- Homework exercises. (10 %)
- Two midterm exams (1396/07/29 & 1396/08/29). (50 %)
- One final exam.¹ (40 %)

Assignments

Homework assignments to be submitted at the *beginning* of class on the due date.

Course Outline

Week 1²: Introduction, Rational Buyer Model, Monopoly Pricing, & Elasticity

Week 2 & 3: Producer Theory, Monopoly Pricing, & Two-Period Monopoly Pricing

Week 4: Double Marginalization & Price Discrimination: Bundling & Versioning

Week 5 & 6: Consumer Choice and Preferences

Week 7 & 8: Demand Theory

Week 9: Further Topics in Demand Theory

Week 10: Choice Under Uncertainty

(Time Permitting)

Week 11: General Equilibrium

(Time Permitting)

¹The final exam is cumulative.

²Each week consist of 4 hours of lecture and 2 hours of recitation.