

FDPE MICROECONOMIC THEORY I: DECISIONS

Fall 2015

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Outline

In the course covers the core concepts and technical tools of microeconomics and decision theory. The aim is to facilitate the student with the understanding of the key assumptions behind the theory, their main implications and their main limitations. A particular emphasis is on observational implications of economic behavior. The key areas of investigation are rational choice and its axioms, consumer choice and duality, dynamic choice and a theory of a firm.

Required material

Lecture notes, which are rather self-contained, as well as the problem sets are posted at the FDPE website

- <http://www.fdpe.fi/current-courses-and-workshops/mi11516.html>

The main text of the course is

- "Microeconomic Theory" by Andreu Mas-Colell, Michael Whinston and Jerry Green (MWG), Oxford University Press 1995, chapters 1 - 5

Good references are also

- "Lecture Notes in Microeconomic Theory: The Economic Agent", by Ariel Rubinstein (R), Princeton University Press 2004 (freely downloadable at <http://press.princeton.edu/rubinstein/>)

- "Microeconomic Foundations I: Choice and Competitive Markets", by David Kreps (K), Princeton University Press 2012

Place and time

31.8.-28.9.2014 on Tuesdays 12-14 and Tuesdays 14-16 at Economicum seminar room 3-4 (Arkadiankatu 7)

Structure

Week 36: Choices, preferences, utilities (MWG1; R1-3; K1)

Week 37: Classical demand theory (MWG2; R4-6; K2,4)

Week 38: Duality (MWG2, K3)

Week 39: Aggregate demand (MWG4)

Week 40: Extensions: dynamic choice, preferences for flexibility (K7)

Week 41: Production (MWG5; R7)

Problem sets

Exercises are arranged by PhD student Michele Crescenzi in Economicum seminar room 3-4 as follows:

- Sept 14 Mon 16–18
- Sept 21 Mon 16–18
- Sept 28 Mon 16–18

Assessment

Final/retake exam with the 40% minimum points criterion