Econ 810: Microeconomic Theory  
(M 11:30 a.m. Room: MC E229, W 1:00 p.m., Room: Ellis 329), Fall 2011.

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Office Hours: Tuesday 2:30 - 3:30 p.m  
Wednesday 10:00 - 11:00 a.m.

Course web-page: Can be found at https://moodle.queensu.ca/  
You should check the site regularly for new material and announcements.

Tutorials: (from Sept. 22) Thursdays 11:30 am - 1:00 pm, Conference Room, Dunning 2nd Floor

Objective:

This course is intended to provide students with an understanding of the basic microeconomic theories that find wide application in different areas of economics. The first part of the course will focus on the actions of non-strategic consumers and producers, and how these individual actions coalesce to determine the working of a market economy. The second part will look at the consequences of strategic behavior by agents, and the economics of information.

Textbooks:

The recommended textbook for this course is Advanced Microeconomic Theory by Geoffrey A. Jehle and Philip J. Reny (Addison Wesley).

The coverage in class will also borrow from material in Microeconomic Theory by Andreu Mas-Colell, Michael D. Whinston and Jerry R. Green (Oxford University Press). I would urge students to explore avenues of owning the latter book too. This is the standard textbook in many PhD programs in North America, and therefore is a useful book to possess. Microeconomic Analysis by Hal R. Varian (third edition; W.W. Norton) is another useful reference. Game Theory for Applied Economists by Robert Gibbons is also a useful reference for the game theory section.

Student Evaluation:

A student's final grade in the course will depend on his/her performance on problem sets, a midterm and a final examination. The weighting of grades will be:

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<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Problem sets</td>
<td>20%</td>
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<tr>
<td>Mid-term examination</td>
<td>30%</td>
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<tr>
<td>Final examination</td>
<td>50%</td>
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Working independently on the problem sets is strongly encouraged.  
The mid-term exam will be held in class on Wednesday, October 26th.
Course Outline**:

1. Consumer choice:
   - Utility maximization, expenditure minimization and properties of consumer demand.
   - Choice under uncertainty
   [Chapters 1 - 2 in Jehle-Reny, Chapters 2 - 3, 6 in Mas-Colell et. al., and Chapters 7 - 11 in Varian]

2. Production theory:
   - Profit maximization and cost minimization.
   - Monopoly
   [Chapter 3 in Jehle-Reny, Chapters 5, 12 in Mas-Colell et. al., and Chapters 1 – 5, 14 in Varian]

3. Market equilibrium:
   - Competitive markets and Partial Equilibrium
   - General equilibrium
   [Chapters 4 - 5 in Jehle-Reny, Chapters 15-17, 19 in Mas-Colell et. al., and Chapters 13, 17-18 in Varian]

4. Game theory:
   - Normal and extensive form games
   - Repeated games
   - Oligopoly theory
   [Chapters 7 and 4 in Jehle-Reny, Chapters 7 – 9, 12 in Mas-Colell et. al., and Chapters 15- 16 in Varian]

5. Information Economics:
   - Signaling and screening
   - Moral hazard
   [Chapter 8 in Jehle-Reny, Chapters 13, 14 in Mas-Colell et. al., and Chapter 25 in Varian]

** The course outline is meant to be only a rough guide of what we are going to study in the course. The actual extent of coverage may vary depending on the students’ background and response. Not all material in a given chapter will be covered in class; at the same time, I plan to introduce you to some recent applications of the basic techniques, which are not covered in the textbook (I will provide you with the relevant references as we come to them). In the exams, you will be responsible for only (and all) topics discussed in class.

Academic Integrity: Academic integrity is constituted by the five core fundamental values of honesty, trust, fairness, respect and responsibility (see www.academicintegrity.org). These values are central to the building, nurturing and sustaining of an academic community in which all members of the community will thrive. Adherence to the values expressed through academic integrity forms a foundation for the "freedom of inquiry and exchange of ideas" essential to the intellectual life of the University (see the Senate Report on Principles and Priorities). Students are responsible for familiarizing themselves with the regulations concerning academic integrity and for ensuring that their assignments conform to the principles of academic integrity. Information on academic integrity is available in the Arts and Science Calendar (see Academic Regulation 1), on the Arts and Science website and from the instructor of this course. Departures from academic integrity include plagiarism, use of unauthorized materials, facilitation, forgery and falsification, and are antithetical to the development of an academic community at Queen's. Given the seriousness of these matters, actions which contravene the regulation on academic integrity carry sanctions that can range from a warning or the loss of grades on an assignment to the failure of a course to a requirement to withdraw from the university.