GEORGE MASON UNIVERSITY

Econ 612: Microeconomic Theory II

Spring 2019

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A. Objective and description

This course develops the foundations of choice, price, general equilibrium, decision under uncertainty and strategic behavior at the graduate level, with some mathematical rigor. It presumes that students are comfortable with using calculus. Topics include choice, preference and utility; consumer demand; competitive firms; externalities; general equilibrium; and imperfect competition. Behavioral and experimental economics issues may be touched upon. The emphasis of this class will be on understanding the underlying economic concepts and tools of analysis.

B. References

The main references for the lectures are the textbooks *Lecture Notes in Microeconomic Theory. The Economic Agent*, 2nd edition, by Ariel Rubinstein [AR], Princeton University Press, 2012, *Fundamentals of Public Economics* by Jean-Jacques Laffont [JL], MIT Press 1989, and *An Introduction to Game Theory* by Martin Osborne [MO], Oxford University Press, 2002.

C. Syllabus

INDIVIDUAL CHOICES

1. Choice, preference and utility (lectures 1, 2 and 3, AR)

2. Demand (lectures 4 and 5, AR)

3. Production (lecture 6, AR)

4. Decision under uncertainty (lecture 7, AR)

   midterm March 19, at class time

MARKETS AND GAMES

5. Competitive markets

6. General equilibrium

7. Externalities and public goods (chapters 1 and 2, JL)

8. Strategic games (chapters 1 and 2, MO)

9. Cournot vs Bertrand competition; auctions (chapter 3, MO)

   final exam according to schedule

D. Grading

Problems sets will be assigned every other week to be turned the week after. Students can skip turning one problem set without any further justification. Grading will come from the problem sets (20%), the midterm (35%) and the final exam (45%). If the grade in the final exam exceeds that in the midterm, the grade in the final exam will substitute for the midterm as well.

E. Office hours

I am available most Wednesdays and Thursdays from 10:30 am to 12 pm in my office in Arlington; by appointment any day of the week.