

**Course Syllabus**  
**Summer 2007**  
**EC 489.01 Special Topics in Economics: Microeconomics**

**Instructor:** Deniz Çiçek  
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**Web Page:** <http://www.econ.umn.edu/~deniz/teaching>  
**Time and Place:** Tuesday, 1:00 pm- 5:00 pm at NBB 10 (every week)  
Thursday, 1:00 pm- 5:00 pm at NBZ 12 (on July 3 and July 26)  
**Problem Sessions:** Last hour of each class  
**Office Hours:** By appointment

**Textbooks:** Some recommended (but not required) texts are

*Undergraduate level:*

- Varian, H. R., “Intermediate Microeconomics” Sixth Edition, Norton, 2002.
- Gibbons, R. “Game Theory for Applied Economists” Princeton U Press, 1992.

*Graduate level:*

- Mas-Colell, A., M. D. Winston and J. Green, “Microeconomic Theory”, Oxford, 1995.
- Varian, H. R., “Microeconomic Analysis” Third Edition, Norton, 1992.
- Fudenberg, D. and J. Tirole, “Game Theory”, MIT Press, 1991.

**Grading:** Evaluation will be based on quizzes and a final exam. Quizzes may be unannounced. It is your responsibility to be in class at the quiz time. There are absolutely no make-ups on quizzes under any condition. Each quiz is worth 10% of your total grade. The rest will be the weight of the final exam. The letter grades will be assigned according to final distribution of points.

There will be weekly problem sets. They will not be graded. However, they will furnish a good preparation for the exam.

**Course Outline:** What you really need to follow is what we do in class. Tentative outline is as follows:

**PART 1: CONSUMER THEORY**

- Consumer choice: Preferences, Budget Set and Utility.
- Demand theory: Utility Maximization, Expenditure Minimization, Demand.

**PART 2: PRODUCER THEORY**

- Production Technology.
- Profit Maximization, Cost Minimization, Supply.

**PART 3: GENERAL EQUILIBRIUM**

- Equilibrium: Definitions and Examples.
- Pure Exchange Economy: Edgeworth Box.
- Pareto Optimality and Welfare Theorems.

#### PART 4: GAME THEORY

- Introduction to Game Theory
- Static Games of Complete Information
- Dynamic Games of Complete Information
- Repeated Games
- Static Games of Incomplete Information

#### PART 5: MARKET FAILURE

- Market Power: Monopoly and Oligopoly
- Asymmetric Information: Moral hazard, Adverse Selection, Signaling, Screening
- Externalities and Public Goods

#### PART 6: OTHER TOPICS (IF TIME PERMITS)

- Choice Under Uncertainty: Expected Utility Theory, Risk and Risk Aversion.
- General Equilibrium under Uncertainty.