Universitat de Barcelona
Facultat de Ciències Econòmiques i Empresarials

MICROECONOMICS IV (361847)

Fall 2017 – EUS Group

Professor: Marc Teignier Baqué
Office: 416 (Diagonal 696 building)
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Lectures: Room C; Wednesday 11:00-12:00, Thursday and Friday 10:00-11:30
Office Hours: Wednesday 90:00-11:00 (confirm by email beforehand)

Course Objectives:

Analyze the behavior of economic agents and their interaction in markets under perfect competition, as well as studying the economic efficiency and social desirability of the outcomes reached. At the same time, familiarize students with the mathematical tools and models used in economics.

Course organization:

Each week, we will spend one long session to present the main concepts of each topic and two sessions to study in detail some exercises, with students solving them individually in front of the class. Students will be alphabetically divided in two groups of equal size for the problem solving sessions. Moreover, students have to submit the problem sets before the class starts.

Course grading:

- Class participation (Class attendance and participation, problem sets submission, exercises presentation in class): **10% of final grade**.
- Midterm exam 1 – topics 1-6 (20/10, in class): **30% of final grade**.
- Midterm exam 2 – topics 7-8 (23/11, in class): **30% of final grade**.
- Midterm exam 3 – topics 9-11 (Thursday, 21st of December, 16:00-18:00): **30% of final grade**.

Summer Convocation

Students who fail the course can do a revaluation exam during the summer. The specific date for the Microeconomics IV exam is 30/1/2018, from 11:00-13:30. The grade of that convocation will ONLY depend on the revaluation exam.

Main references:

- Varian, H. (1993). Microeconomic Analysis
- Varian, H. (2010). Intermediate Microeconomics.

Other references:

- Kreps, D. (1995). Microeconomic Theory Course. Ed. McGraw-Hill.
- Mas-Colell, A., Whinston, M.D. and J.R. Green (1995). Microeconomic Theory. Oxford.
- Villar, A. (1999). Lecciones de Microeconomía. Antoni Bosch editor.
- Villar, A. (2006). Microeconomía. Ed. McGraw-Hill.

Course contents:

- PART I.1) REVIEW: CONSUMER AND PRODUCER THEORY
    - Topic 1. Consumption set, preferences and utility function. *References: Villar (2006), Chapters 2 and 3; Varian (2010), Chapters 2, 3 and 4.*
    - Topic 2. Consumer optimization and aggregate demand. *References: Varian (1993), Chapters 7, 8 and 9; Varian (2010), Chapters 5, 6 and 15; Villar (2006), Chapter 4.*
    - Topic 3. Production set and technology. *References: Varian (1993), Chapter 1; Varian (2010), Chapter 18; Villar (1999), Chapter 9.*
    - Topic 4. Producer optimization and aggregate supply. *References: Varian (1993), Chapter 2, 3, 4, 5 and 18; Varian (2010), Chapters 19, 22 and 23; Varian (1999), Chapters 2 and 3; Villar (1999), Chapter 10.*

- PART I.2) GENERAL EQUILIBRIUM AND WELFARE
    - Topic 5. Exchange economies: existence and efficiency of the perfect competition equilibrium. *References: Varian (1993), Chapter 18; Varian (2010), Chapters 31; Villar (2006), Chapter 6 and Chapter 7*.
    - Topic 6. Economies with production: existence and efficiency of the perfect competition equilibrium. *References: Varian (1993), Chapter 18; Varian (2010), Chapters 32; Villar (1999), Chapter 11*.

- PART II) MARKET FAILURES: EXTERNALITIES AND PUBLIC GOODS
    - Topic 7. Externalities. *References: Varian (1993), Chapter 24; Varian (2010), Chapter 34; Villar (2006), Chapter 14.*
    - Topic 8. Public goods. *References: Varian (1993), Chapter 23; Varian (2010), Chapter 36; Villar (2006), Chapter 14.*

- PART III) OTHER MARKET FAILURES: IMPERFECT INFORMATION
    - Topic 9. Uncertainty. *Varian (1993), Chapter 1; Varian (2010), Chapter 12; Villar (2006), Chapters 10, 11, 12.*
    - Topic 10. Adverse selection. *References: Varian (1993), Chapter 25; Varian (2010), Chapter 37.*
    - Topic 11. Moral hazard. *References: Varian (1993), Chapter 25; Varian (2010), Chapter 37.*

Week	Dates	Wednesday (11- 12)	Thursday (10.00-11.30)	Friday (10.00-11.30)
1	13/9/2017 - 16/9/2017	Course Introduction	Topic 1 theory	Topic 2 theory
2	20/9/2017 - 22/9/2017	Topics 1, 2 exercises (all groups)	Topic 3 theory	Topic 4 theory
3	27/9/2017 - 29/9/2017	Topics 1-4 exercises (all groups)	Topics 3, 4 exercises (all groups)	Topic 5 theory
4	4/10/2017 - 6/10/2017	Topic 5 exercises (group A)	Topic 5 exercises (all groups)	Topic 6 theory
5	11/10/2017 - 13/10/2017	Topic 6.1 exercises (group B)	NO CLASS	Topic 6.1 exercises (all groups)
6	18/10/2017 - 20/10/2017	Topic 6.2 exercises (group A)	Topic 6.2 exercises (all groups)	MIDTERM EXAM 1 (topics 1- 6)
7	25/10/2017 - 27/10/2017	*Midterm 1 correction*	Topic 7 theory	Topic 8 theory
8	1/11/2017 - 3/11/2017	NO CLASS	NO CLASS	NO CLASS
9	8/11/2017 - 10/11/2017	Topic 7 exercises (group B)	Topic 7 exercises (all groups)	Topic 7 exercises (all groups)
10	15/11/2017 - 17/11/2017	Topic 8 exercises (group A)	Topic 8 exercises (all groups)	Topic 8 exercises (all groups)
11	22/11/2017 - 24/11/2017	Topics 7, 8 exercises (all groups)	MIDTERM EXAM 2 (Topics 7-8)	*Midterm 2 correction*
12	29/11/2017 - 1/12/2017	Topic 9 theory	Topic 10 theory	Topic 11 theory
13	6/12/2017 - 8/12/2017	NO CLASS	NO CLASS	NO CLASS
14	13/12/2017 - 15/12/2017	Topics 10, 11 exercises (group B)	Topics 10, 11 exercises (all groups)	Topics 10, 11 exercises (all groups)
15	20/12/2017 - 22/12/2017		MIDTERM EXAM 3 (Topics 9-11)	