Economics 606
Microeconomic Theory I

Course Outline

This is the first semester of a two-semester course intended for first year graduate students in economics and related fields. The prerequisites for the course are:


(2) Mathematics through calculus of several variables. Additional mathematical tools will be explained briefly in lectures as the course proceeds or in Mathematics for economists (Econ 627). To refresh or complete your knowledge of the basic mathematical tools used in microeconomic theory you may wish to consult the appendix in Advanced Microeconomic Theory by Geoffrey Jehle and Philip Reny, second edition, Addison Wesley, 2001.

Text for the Course

The text for the course is Microeconomic Theory by Andreu Mas-Colell, Michael Whinston and Jerry Green, Oxford University Press, 1995. (MWG).

Other useful books that you may wish to consult are:

(1) Lecture Notes in Microeconomic Theory. The Economic Agent by Ariel Rubinstein, Princeton University Press, 2006. (R)


(3) A Course in Microeconomic Theory by David Kreps, Princeton University Press, 1990. (K)

(4) A First Course in Optimization Theory by Rangarajan Sundaram, Cambridge University Press, 1996. (Su)

(5) How to Read and Do Proofs by Daniel Solow, fourth edition, Wiley, 2005. (So)
MWG is the reference textbook in graduate microeconomic theory. R is a new textbook that covers the material for a first course in graduate microeconomic theory. It is written by one of the leaders in the field, and complements MWG. You must read it (you can download it from Ariel Rubinstein’s webpage). V and K were the main textbooks for graduate microeconomic theory before MWG was published. Su is an excellent textbook on optimization theory. You should read it if you are serious about microeconomic theory. Finally, So is an undergraduate textbook in mathematics. It presents a clear introduction to the basic proof techniques. You should read it if you are not yet familiar with the topic.

As an aside, you may consider reading


**Problem Sets and Exams**

Problem sets, related to the material covered in the lectures, will be assigned on a weekly basis. A handout containing suggested solutions to the problems will be distributed the following week. It is strongly recommended that you work out the problems before looking at the solution key. I suspect that there is a strong correlation between the time spent working on the problem sets (before looking at the solutions) and the final grade.

There will be one mid-term and one final exam in this course. The mid-term is scheduled on October 18 (4.30 – 6.00 p.m. in class) and will be based on the material covered up to October 16 included. The final exam will be on December 11 (4.30 – 6.30 p.m.), and will be based on the entire course material.

Your grade for the course will be based on the mid-term (40%) and the final exam (60%).

**Office, Phone and E-mail**

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E-mail: adellis@hawaii.edu
Phone: 956-7653
Office hours: Friday 10.30 a.m. – 12.30 p.m.
### Tentative Course Schedule

<table>
<thead>
<tr>
<th>Topic</th>
<th>Chapters in text</th>
<th># of Lectures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Preference and Choice</td>
<td>Chapter 1</td>
<td>3</td>
</tr>
<tr>
<td>2. Consumer Choice</td>
<td>Chapter 2</td>
<td>3</td>
</tr>
<tr>
<td>3. Classical Demand Theory</td>
<td>Chapter 3</td>
<td>9</td>
</tr>
<tr>
<td>4. Aggregate Demand</td>
<td>Chapter 4</td>
<td>1</td>
</tr>
<tr>
<td>5. Production</td>
<td>Chapter 5</td>
<td>3</td>
</tr>
<tr>
<td>6. Choice under Uncertainty</td>
<td>Chapter 6</td>
<td>5</td>
</tr>
<tr>
<td>7. Market Equilibrium</td>
<td>Chapters 10 &amp; 12</td>
<td>6</td>
</tr>
</tbody>
</table>

This schedule being tentative some topics may be added or subtracted as the course proceeds.