

ECO 6122: Microeconomic Theory IV

Economics Department
University of Ottawa

Professors:

Louis Hotte
613-562-5800 ext. 1692
200, Wilbrod st. room 05
Office hours: TUE 15h00-17h00
lhott3@uottawa.ca
<http://aix1.uottawa.ca/~lhott3/>

Marcel Mérette
613-562-5800 ext. 1698
Tabaret Hall, Room 302
Office hours: MON 14h00-16h00
mmerette@uottawa.ca

NB Outside of the above office hours, appointments may be taken through emailing at least three working days in advance.

General Description:

This is a compulsory course for the MA programme in Economics at the University of Ottawa. It introduces students to the main tools used by economists to analyze problems of resource allocation and decision making. Concurrently, some of the most fundamental results in economics are presented. This will enable students to read scientific articles in all fields of economics as well as use the tools for their own research. Finally, the course also intends to help students develop a rigorous method to apprehend problems in the social sciences.

Most of the material covered is drawn from selected chapters of the textbook *Microeconomic Analysis*, 3rd Ed., by Hal Varian, 1992, at Norton. The book is available at Agora Bookstore, 145 Besserer Street, <http://www.agorabookstore.ca>. It constitutes mandatory reading. Additional useful references include:

- *Advanced Microeconomic Theory*, 2nd Ed., by Jehle and Reny, 2001, at Addison Wesley;
- *Microeconomic Theory*, by Mas-Colell, Whinston and Green, 1995, at Oxford University Press;
- *Microeconomic Theory: Basic Principles and Extensions*, 7-8-9th Ed., by Nicholson, 2006, at Thomson.

All are available on reserve at the Morisset library.

Evaluation:

Problems will be assigned weekly, to be handed back the following week. Absolutely no extension will be granted. Students are expected to be up-to-date with the class material and attendance is compulsory. **Assignments** will count for 10% of the final mark. Marking is based on effort, NOT on perfect answers. After submission, some assigned problems may be discussed in class and students may be asked, at random, to come forward and explain their solution.

Students are strongly encouraged to work in teams of two or three for the assignments. However, the amount learned from an assignment is proportional to the effort put into attempting to solve the problems. One should try to solve all end-of-chapter problems. Students are encouraged to attend the **Mathematics and Statistics review course** being offered by the Department of Economics to help ensure that they are best prepared for this course.

A **mid-term examination** will count for 40% of the final mark. It will take place on Tuesday, October 31st.

A cumulative final exam will count for 50% of the final mark.

Please note that, unless specifically advised otherwise, you are responsible for all the material covered in the textbook chapters listed below.

Themes:

We will cover the following chapters of Varian (1992):

Part I: Production: (L. Hotte; 4 weeks)

1. Technology; 2. Profit Maximization; 3. Profit Function; 4. Cost Minimization; 5. Cost Function; 6. Duality

Part II: Consumer Demand and Welfare: (M. Mérette; 3 weeks)

7. Utility Maximization; 8. Choice; 9. Demand; 10. Consumer's Surplus; 11. Uncertainty

Part III: Markets and Interactions: (L. Hotte; 2 weeks)

13. Competitive Markets; 15. Game Theory; 16. Oligopoly

Part IV: General Equilibrium Theory: (M. Mérette; 3 weeks)

17. Exchange; 18. Production; 19. Time; 21. Equilibrium Analysis; 22. Welfare

Tutorials: Details TBA.