

International Economics

Academic year 2024-2025

Microeconomics I

EI037 - Autumn - 6 ECTS

Wednesday 10h15 - 12h00

Course Description

This course is an introduction to the concepts and tools of Microeconomic analysis. We will start with classic topics of consumer choice, and then firm decisions about optimal production and the impact of different market structures on firms' behavior. Next, we turn our attention to supply and demand, and the basic forces that determine an equilibrium in a market economy. The final section of the course introduces some of the more advanced topics that can be analyzed using microeconomic theory. Students should be comfortable with basic multivariable calculus, linear algebra, and real analysis.

> PROFESSOR

[Yuan Zi](#)

[Office hours](#)

> ASSISTANT

Joshua Eitan Ostry

[Office hours](#)

IMPORTANT

Regular attendance is compulsory, and any absence must be promptly communicated to the teacher. In the event of missing more than two sessions, students are expected to provide well-documented justifications for unforeseeable circumstances (e.g. illness, accident, death of a relative), directly to the Direction of Studies. Failure to justify absences beyond two sessions will result in the assignment of code N.

Students are also reminded of the following legal rules:

The teacher owns the **copyright** on the material they created for this course. As such, any reproduction or distribution of this document, in whole or in part, as well as of any other material created by the teacher for the course, is prohibited unless permission is granted by the author.

Recording (as video or audio) a course without the consent of the teacher and other participants is strictly forbidden.

Syllabus

Course Goals

After completing this course, students should have developed a range of skills enabling them to

understand economic concepts and use those concepts to analyze specific questions.

By the end of this course, students should be able to:

- Understand consumer behavior.
- Understand firm behavior.
- Analyze different types of market structures.
- Understand basic aspects of general equilibrium.
- Understand basic aspects of welfare economics.
- Understand how to apply economic principles to a range of policy questions.

Main textbooks

- "Microeconomic Theory", Andreu Mas-Collel, Michael D Whinston, and Jerry R Green, Oxford University Press (1995). [MWG]

Additional textbooks

- "Microeconomic Analysis", Hal R Varian, Norton (1992).
- "A Course in Microeconomic Theory", David M Kreps. Princeton University Press (1990).

NB : It is sufficient to follow MWG, but students are encouraged to use the listed textbooks and references to enhance their understanding of course materials when needed.

We all have different backgrounds and prefer different learning styles. Student are encouraged to use google or the library for fragmented learning materials when a question arises. Don't read a whole textbook when you are confused about one particular thing - it is usually not very helpful and surely not efficient!

Microeconomics can be a bit abstract, use the Feynman learning technique (<https://medium.com/taking-note/learning-from-the-feynman-technique-5373014ad230>) to help you, if possible.

Pre-requisites of the course

Undergraduate-level microeconomics, basic multivariable calculus, linear algebra, and real analysis. Math course ("bootcamp") in the Graduate Institute for students in MA Economics.

Grading

There will be a midterm exam (1/3 of the final grade), and a final exam (1/3 of the final grade), as well as 2 problem sets ($2 \times 1/6$ of the final grade).

Outline (preliminary)

Lectures: Sep.18-Dec.18

- September 18 Introduction, Preference and Choice
- September 25 Consumer Theory
- October 2 Classical Demand Theory
- October 9 Welfare Economics and Aggregate Demand
- October 16 Production Theory
- October 23 Competitive Equilibrium
- October 30 Midterm Exam [subject to date changes]
- November 6 Welfare Theorem
- November 13 Strategic Interactions I
- November 20 Strategic Interactions II
- November 27 Market Power: Workhorse Models I
- December 4 Market Power: Workhorse Models II
- December 11 Q&A
- December 18 Final Exam [subject to date changes]

Mathematics Toolbox: Students who do not feel comfortable with calculus and standard mathematical tools for economists are strongly advised to either take the math course (choose it as part of the mandatory sequence or sit-in) or consult and work with Martin Osborne's tutorial site (the strong point of this tutorial is that it provides exercises with solutions and thus students can practice on their own).