

THE UNIVERSITY OF CHICAGO
Economics 30200- first half

P. Reny
SHFE 422
Office Hours: By Appointment

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Assessment: Weekly Problem Sets 20%, Exam 80% (Friday, February 2).

Principal Text: Jehle and Reny (2011): *Advanced Microeconomic Theory*. 3rd Edition, London: Pearson.

Other Useful Texts:

Arrow, K. (1963): *Social Choice and Individual Values*. New Haven: Yale University Press.

Debreu, G (1954): *Theory of Value*. New Haven: Yale University Press.

Mas-Colell, Whinston and Green (1995): *Microeconomic Theory*. Oxford, Oxford University Press.

I. Preferences and Utility (Lecture 1)

1. Preference Relations and Axioms
JR 3-13
MWG 40-45
2. A Utility Representation Theorem
JR 13-17
MWG 46-50

II. General Equilibrium Theory (Lectures 2-5)

1. Existence of Walrasian Equilibrium in Exchange Economies
JR 195-211
Debreu 50-56, 59-72
MWG 580-582 584-587
2. The Welfare Theorems for Exchange Economies
JR 212-219
3. Existence of Walrasian Equilibrium in Production Economies
JR 220-232
Debreu 37-49; 74-98
MWG 582 583, 584-587

4. The Welfare Theorems for Production Economies

JR 232-236

Debreu 90-97

MWG 549-554

5. Contingent Plans

JR 236-239

Debreu Chapters 2 and 7

MWG Chapter 19

Arrow, K. and G. Debreu (1954): "Existence of an Equilibrium for a Competitive Economy," *Econometrica* 22, 265-290.

McKenzie, L. (1959): "On the Existence of General Equilibrium for a Competitive Market," *Econometrica* 27.

III. The Core Convergence Theorem (Lecture 6)

1. Defining the Core

JR 200-201

MWG 653-654

2. Replica Economies

JR 240-247

MWG 655-657

3. The Core Convergence Theorem

JR 247-251

MWG 657-659

Debreu, G. and H. Scarf (1963): "A Limit Theorem on the Core of an Economy," *International Economic Review* 4, 235-246.

Edgeworth, F. Y. (1881): *Mathematical Psychics*. London: Paul Kegan.

Hildenbrand, W. (1974): *Core and Equilibria of a Large Economy*. Princeton: Princeton University Press.

IV. Social Choice (Lectures 7-9)

1. Social Welfare Functions

JR 267-270

MWG 793

A 23

2. Arrow's Conditions

JR 271-272

MWG 794-795

A 24-30

3. Arrow's Theorem
JR 272-274
MWG 796-799
A 46-59
4. Social Choice Functions
JR 290
MWG 807
5. Conditions on Social Choice Functions
JR 291
MWG 808-809
6. The Gibbard-Satterthwaite Theorem
JR 291-296
MWG 809-811, 873-875

Gibbard, A. (1973): "Manipulation of Voting Schemes," *Econometrica* 41, 587-601

Reny, P. J. (2001): "Arrow's Theorem and the Gibbard-Satterthwaite Theorem: A Unified Approach," *Economics Letters*, 70, v.1, 99-105.

Satterthwaite, M. (1975): "Strategy-Proofness and Arrow's Conditions: Existence and Correspondence Theorems for Voting Procedures and Social Welfare Functions" *JET* 10, 187-217.