

Microeconomic Theory I

Thoughts and Syllabus

Duk Gyoo Kim

SKKU

March 3, 2023

Regard a syllabus as a contract

- ▶ Regard the collection of descriptions in a syllabus and discussions made in this first class as a take-it-or-leave-it contract.
- ▶ If I see you next week, it means you consent what is written in the syllabus and what I mention today.

This course does NOT

- ▶ provide many real-life examples and applications. If you are about to complain the lack of applications, consider not taking this course;
- ▶ rely on intuitions. If you want to get as many intuitions of “products” of microeconomic theory, Youtube could be better;
- ▶ adjust the level of difficulty or slow down the pace because of the heterogeneities in the class population. Note that there are no graduate-level “microeconomic theory I intermediate” and “microeconomic theory I advanced”;
- ▶ promise that exam questions are from a test bank;
- ▶ guarantee generous letter grades although you might have spent more time and energy than other courses because your preliminary knowledge lacks. (Since when “absolute evaluation” is regarded as a synonym of “generous evaluation”?)

Contact

- ▶ Duk Gyoo Kim
- ▶ Office: 32624
- ▶ Email: [kim.dukgyoo\(at\)g.skku.edu](mailto:kim.dukgyoo(at)g.skku.edu)
- ▶ Office Hours: email me to set an appointment
- ▶ TA: TBD

Course overview

- ▶ The purpose of this course is to introduce (the first sequence of) the graduate-level microeconomic theory.
- ▶ In any decent graduate program, Microeconomic Theory I is very similar in terms of the contents and the level of mathematical rigor. That's why I would not adjust the level of difficulty or slow down the pace.

(Imagine an elementary math curriculum. Can you think of any country that allows teachers to skip multiplication because there are many students bad at adding and subtracting?)

Preliminaries

- ▶ Grade B+ or better in Mathematics for Economists and Intermediate Microeconomics.
(If I knew earlier that nearly half of SKKU students get an A0 or better, I would have said it A0...)
- ▶ Basic knowledge in set theory, linear algebra, and optimization theory is required, or is asked **to learn on the fly**.
- ▶ Knowledge in game theory would be helpful, but it is not necessary.

Teaching materials

- ▶ Students are encouraged to have one of the following textbooks
 - ▶ Advanced Microeconomic Theory by Jehle and Reny (JR)
 - ▶ Microeconomic Theory by Mas-Colell, Whinston, and Green (MWG)
 - ▶ Microeconomic Analysis by Varian (V)
- ▶ MWG has been the main textbook of advanced microeconomics courses for nearly 30 years. JR is better organized than MWG, but covers narrower topics. Some people prefer V because Varian writes neatly.
- ▶ I will provide lecture notes, and the course will mainly follow my lecture notes.

Evaluation

The final grade will mostly depend on

- ▶ the midterm exam (35%) on April 21, and
- ▶ the final exam (55%) on June 9 (tentative).
- ▶ I will reserve 10% for my own discretion: This could include, but not restricted to, class participation, (assignments, quizzes,) and significant improvement in performance.

Course contents

The following topics will be covered. (Topics in parentheses will be taught only when time permits.)

- ▶ Consumer Theory
- ▶ Classical Topics in Consumer Theory
- ▶ Choice under Uncertainty
- ▶ Producer Theory
- ▶ Markets
- ▶ Market Failure
- ▶ (Further Topics in Consumer Choice)

Schedule

- ▶ We will meet at 9AM Friday, except for the following few days.
- ▶ **March 31:** Two special online lectures by Robert H. Frank (9:00–10:15 and 10:30–11:45).
- ▶ **May 5:** National holiday. Need to figure out alternative date for a make-up lecture. Will discuss in week 3.
- ▶ **May 19:** May not be able to teach. Will discuss in week 6.