

## Microeconomic Theory, Fall, CY M2EA, ESSEC

**Lecturers :** Eric Danan (eric.danan@cyu.fr) and Péter Vida (vidapet@gmail.com)

**Books:**

- Mas-Collel, A., Whinston, M. D., Green, J. R. (1995). Microeconomic Theory, Oxford University Press, New York, Oxford.
- Varian, H.R. (1992). Microeconomic Analysis, 3rd ed., W.W. Norton and Company

**Course Description:** We are going to cover parts of Chapters 2, 3, 5, 10 and 6 from Parts One and Three of Mas-Colell et al. (1995). Students can turn to and consult the corresponding chapters of Varian (1992). We start with Chapter 2, 3 and study classical demand theory: utility maximization, expenditure minimization, relations of demand, indirect utility function and expenditure function, evaluation of welfare changes, and integrability. Then, we turn to Chapter 5 and study the production of a profit maximizing firm. Then, we discuss parts of Chapter 10 focusing on competitive markets, partial equilibrium. Finally, we study Chapter 6 which deals with choice under uncertainty.

**Learning objectives:** The students will learn the basics of the classical theory of demand and supply and that of competitive equilibrium. Finally the students will study choice under uncertainty.

**Requirements and Evaluation:** Problems will be given during the term and must be solved individually before their solution is discussed. The overall course grade (a maximum of 20 points) will be determined as follows. There will be 3 short tests during the course and one final exam. 10 points come from the tests and from individual participation and performance score during the classes. The other 10 points come from the final exam covering the entire course material.

The form of the retake exam depends on the number of the retakers. There are exercises, examples, and problems in the books which cover the type of questions asked at the exam. Solution manuals are available online.