

Graduate Micro (1st half of semester): Syllabus

Instructor (1st half): Gerald Willmann

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Course description:

Our goal during the 1st half of this class is to provide you with a thorough knowledge of economic decision making, both by consumers and by firms. Starting from the basic preference relation, we study the consumer's utility maximization problem, her expenditure minimization, as well as the aggregation of individual demands. Subsequently, we turn to the firm's cost minimization and profit maximization problem, and consider monopoly power. Finally, we study decision making under uncertainty. This class is meant to provide you with the tools that are used in all of economics.

Prerequisites:

Prior exposure to undergraduate microeconomics will be helpful, as is a sound knowledge of calculus.

Literature:

The required textbook for this class is *Microeconomic Theory* by Andreu Mas-Collel, Michael D. Whinston, and Jerry R. Green, published by Oxford University Press. For the consumption side, the book *Economics and consumer behavior* by Angus Deaton and John Muellbauer, Cambridge University Press, provides helpful additional reading.

Coursework and grading:

- 2 problem sets: 10% of overall grade (5% each)
- Final exam: 40% of overall grade
- Note: this adds up to 50% for the 1st half of the semester

Logistics:

- The class meets on M 17–19 and W 11–13 in HOGC 02.28
- There will be a weekly exercise session (time tba), starting in the 2nd week
- You find the class website online at <http://willmann.com/~gerald/micro> where I will post all class material.

Outline:

1. Consumer theory:
 - preference relation,
 - utility maximization,
 - expenditure minimization,
 - aggregation.
2. Theory of the Firm:
 - cost minimization,
 - profit maximization,
 - monopoly/monopsony.
3. Decision Making under Uncertainty.