

**ECON / AREC 606: MICROECONOMIC ANALYSIS I  
SPRING 2018**

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**COURSE OBJECTIVES AND METHODS**

This is a first-year graduate course in microeconomic theory. It presumes competence in undergraduate intermediate level price theory, as well as a certain knowledge of calculus and related areas of mathematics (namely: constrained and unconstrained optimization, comparative statics, and some linear algebra). The purpose of the course is:

- to familiarize you with the issues and language of formal microeconomic theory;
- to guide you in your understanding of the foundations, mechanics, and conclusions of the core of neoclassical microeconomics; and
- to develop your ability to carry out independent economic analysis in useful application.

To these ends, the course will include:

- presentation of core microeconomic theory via lectures and four basic texts;
- problem sets to give you an opportunity to exercise and challenge your analytical abilities; and
- exams to demonstrate your development in a formal structure.

**TEXTS**

The main text for the course is:

Geoffrey Jehle & Philip Reny, *Advanced Microeconomic Theory*, 3<sup>rd</sup> ed., Prentice Hall, 2011. Starting in 2013-14, this text was selected by the department faculty as the backbone of the ECON 606-706 curriculum.

Other useful references (optional) are:

Andreu Mas-Colell, Michael D. Whinston, & Jerry R. Green, *Microeconomic Theory*, Oxford University Press, 1995. This very rigorous, encyclopedic text gives high-level elaboration on most topics. It proceeds from a topological perspective, using calculus to supplement and elaborate.

Walter Nicholson & Christopher Snyder, *Microeconomic Theory: Basic Principles and Extensions*, 10<sup>th</sup> ed., South-Western, 2008. This text, sometimes used at the advanced undergrad level, may serve to fill in many details of a traditional calculus-based analysis.

Hal Varian, *Microeconomic Analysis*, 3<sup>rd</sup> ed., Norton, 1992. This classic text gives direct, terse, intuitive presentation of many key topics.

**GRADING**

Course grades will be based on 3 tests and several problem sets as follows:

- 3 tests will count 20% each, for a total of 60%
- Approximately 8 problem sets will count a total of 40%.
- The grading scale will be:

96 - 100%	A+	83 - 86%	B+	60 - 69%	C
90 - 95%	A	76 - 82%	B	50 - 59%	D
87 - 89%	A-	70 - 75%	B-	0 - 49%	F

- Homework problems will be scored on a 5-point basis as follows:

5 = Thorough, diligent, and mostly correct  
4 = Thorough and diligent, with mistakes but overall display of understanding  
3 = Thorough and/or diligent, but with important misunderstandings  
2 = Pervasive misunderstandings and/or major omissions  
1 = Minimal effort

Collaboration on problem sets is allowed, but pure copying certainly is not. The answers you submit must be your own presentation, and must reflect an understanding you have established in your own head, even if the understanding is based on collaboration with colleagues.

## COURSE OUTLINE

Week	Dates	Topics	Chapter readings			
			Jehle & Reny	Mas-Colell, et alia	Nicholson & Snyder	Varian
1	16-18 Jan	A. Preferences & Utility	1.1-1.2	3: A-C	3	
2	23-25 Jan	B. Utility maximization	1.3	3: D	4	7
3	30 Jan-1 Feb	C. Expenditure minimization	1.4	3: E-G		7
4	6-8 Feb	D. Demand Topics 1	1.5	3: H-J	5	8
5	13-15 Feb	E. Demand Topics 2	2.1	4	6	9
6	20-22 Feb	F. Demand Topics 3	2.2			10
			2.3			
7	27 Feb-1 Mar	Catch-up / <b>TEST 1, 7:30</b>				
8	6-8 Mar	G. Uncertainty	2.4	6	7	11
9	20-22 Mar	H. Production				
10	27-29 Mar	I. Producer optimization	3	5:127-135	9, 10, 11	1
11	3-5 Apr	J. Competition / <b>TEST 2, 7:30</b>				
12	10-12 Apr	K. Efficiency and welfare	4.1, 4.3	5:135-160	12	2 to 5
13	17-19 Apr	L. Market power	4.2	10	14 & 15	13
14	24-26 Apr	M. General Equilibrium 1	5.1-5.2	15	13:457-481	21
15	1-3 May	N. General Equilibrium 2	5.3	16	13:482-489	
16	Thu 10 May	<b>TEST 3, 6:20-8:20pm</b>				

Note: This course will not address every concept in every part of the assigned reading. The scope of your immediate learning responsibility will be defined by what is covered in class and in homework assignments, and you should use the readings to support your understanding of that material (and then to the extent you are motivated, to extend your economic literacy beyond the course content).

As the course develops, a detailed topic-coverage outline will be provided.

Math fundamentals are summarized for your review and reference in the two appendices of Jehle & Reny; the Appendix of Mas-Colell, et al.; Chapter 2 of Nicholson & Snyder; and Chapters 26 and 27 of Varian.

Course materials including the syllabus, homework assignments, and the topic outline will be available on Canvas.

### ACADEMIC INTEGRITY

This course will be administered consistent with the Academic Integrity Policy of the Colorado State University General Catalog and the Student Conduct Code. Student conduct must adhere to the policy, and so will instructor response to any incidents that arise. See [http://tilt.colostate.edu/integrity/faqs/what\\_are\\_the\\_rules.cfm](http://tilt.colostate.edu/integrity/faqs/what_are_the_rules.cfm).

Every submitted piece of work is subject to the following Honor Pledge:

***"I have not given, received, or used any unauthorized assistance."***