

Microeconomic Theory, Fall, M2EA, ESSEC

Lecturer: Péter Vida, vidapet@gmail.com

Books:

- Mas-Colell, 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 3, 5, 10 and 15 from Parts One, Three and Four of Mas-Colell et al. (1995). Students can turn to and consult the corresponding chapters of Varian (1992). We start by simple introduction to the consumer's choice problem with two commodities and study general equilibrium in the Edgeworth box. Next, we turn to Chapter 3 and study classical demand theory: utility maximization, expenditure minimization, relations of demand, indirect utility function and expenditure function, evaluation of welfare changes, integrability and the weak and the strong axiom of revealed preferences. Then, we turn to Chapter 5 and study the production of a profit maximizing firm. Finally, we discuss parts of Chapter 10 focusing on competitive markets.

Requirements: Problems will be given during the term and must be solved individually before their solution is discussed. A midterm and a final exam will be held in October and in late November respectively. 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.