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Syllabus for “Advanced Microeconomics. Part three: General Equilibrium”

Winter Term 2020/21

Time and Location

- 8th December 2020, 9:00-12:30 conference room, IWH

Description

This third part of the PhD course “Advanced Microeconomics” provides a comprehensive introduction to general equilibrium theory – existence, uniqueness and properties of allocations in general equilibrium. We will study the welfare properties of equilibria, and analyze externalities and public goods. The aim of this lecture is:

- You know the conditions for existence and uniqueness of equilibria.
- You understand the fundamental results of welfare economics.
- You know microeconomics of external effects and efficient provision of public goods

Prerequisites

A solid background of microeconomic theory. Joy of learning and discovery.

Literature

The course will be based on the book:

Mas-Colell, A., Whinston, M. D., & Green, J. R. (1995). *Microeconomic theory* (Vol. 1). New York: Oxford university press.

You are expected to read the relevant chapters of the book covered in class. Additionally, the course draws from several other sources that you are expected to read, too. Please note: The slides and notes will not substitute attending the class nor reading the material. They intend to help you to follow and understand the contents of the course.

Contents and required reading

5. General Equilibrium Theory

- Mas-Colell, Whinston., & Green (1995), chapters 15, 16, 17(A-C,F)

6. Pareto optimality and externalities

- Mas-Colell, Whinston., & Green (1995), chapters 16, 11

Examination/Assessment

After every block of lectures, you will receive a problem set which you need to solve within a week. In total there will thus be two problem sets that you need to solve. Over the entire four parts of the advanced microeconomics course (from which this one here will be the first), you will receive eight problems sets in total form which you have to pass six to pass the entire course.