Syllabus for Economics 742: Advanced Microeconomic Theory
UNCG Spring 2011

INSTRUCTOR
Dr. Stephen Holland, Room 465, Bryan Building
Email: sphollan@uncg.edu, Telephone: 334-4925,
Office Hours: Mon & Wed 12 pm -1 pm or by appointment

COURSE LOCATION AND TIMES
January 11- April 21  TTh 2:00-3:15
March 3            Midterm exam
Thursday, April 28  Final exam 3:30–6:30
All sessions are in Bryan 456.

COURSE DESCRIPTION
This course is the first course in the PhD theory sequence. This course covers the
standard topics in price theory: optimizing behavior by consumers and producers,
competitive market equilibrium, and market efficiency. This course assumes familiarity
with these topics and develops them in much greater depth and with more mathematical
rigor. As such, the course requires an exceptional level of mathematical sophistication
and should be taken with ECO 741 Advanced Mathematical Economics.

TEXTBOOK
The required text for this course is: Microeconomic Theory by Andreu Mas-Colell,
Michael D. Whinston and Jerry R. Green I also recommend that you have
Microeconomic Theory: Basic Principles and Extensions, tenth edition, by Walter
Nicholson & Christopher Snyder. The Study Guide is also recommended.

GRADING
At the PhD level, grades are less important than whether or not you learn the material
necessary for your professional careers. However, for feedback and as a commitment
(motivational) device, I will be assigning grades for this course. The grades will be
determined by homework assignments (15%), one midterm exam (25%), a modeling
project (25%) and a final exam (35%).

LEARNING RESOURCES
In your professional career, you will use all available resources to solve problems.
Similarly, you should use all available resources (e.g., other textbooks, the internet, your
classmates) to help you learn microeconomics. In particular, group work is allowed and
even encouraged for the homework assignments. For exams, you will be required to
work alone.
**SPECIFIC COURSE LEARNING OBJECTIVES**
Upon successful completion of this course, students will be able to:

1. Derive individual and market demand curves from individual utility functions.
2. Evaluate the effect of economic changes on individual and social welfare.
3. Demonstrate how a firm chooses its inputs to maximize profit under both competitive conditions and monopoly.
4. Explain the concept of market equilibrium under competitive conditions.
5. Demonstrate how various economic changes can affect the competitive market equilibrium.
6. Explain the difference between a partial equilibrium model and a general equilibrium model.
7. Explain the two fundamental welfare theorems of economics.
8. Analyze decision making under conditions of uncertainty using the expected utility theorem and the concept of stochastic dominance.

**COURSE SCHEDULE**

<table>
<thead>
<tr>
<th>Week</th>
<th>Dates</th>
<th>Topics</th>
<th>Chapters</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jan 11-13</td>
<td>Preference &amp; Choice</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Jan 18-20</td>
<td>Choice-Based Demand Theory</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Jan 24-27</td>
<td>Classical Demand Theory</td>
<td>3.A-G</td>
<td>Skip 3.F</td>
</tr>
<tr>
<td>4</td>
<td>Feb 1-3</td>
<td>Classical Demand Theory</td>
<td>3.H-I</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Feb 8-10</td>
<td>Aggregate Demand</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Feb 15-17</td>
<td>Production</td>
<td>5.A-D</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Feb 22-24</td>
<td>Production</td>
<td>5.E-G</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Mar 1-3</td>
<td>Loose Ends/Midterm exam</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Mar 8-10</td>
<td>Spring Break</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Mar 15-17</td>
<td>Choice Under Uncertainty</td>
<td>6.A-C</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Mar 20-31</td>
<td>General Equilibrium: Examples</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Apr 5-7</td>
<td>Equilibrium &amp; Welfare</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Apr 12-14</td>
<td>Equilibrium &amp; Welfare</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Apr 19-21</td>
<td>Equilibrium Existence</td>
<td>17</td>
<td></td>
</tr>
</tbody>
</table>