Collegio Carlo Alberto - Allievi Program
Economic Principles
Spring 2018
Dino Gerardi

Class Time: Thursday 8:30-10:30 a.m. and Friday 5:30-7:30 p.m.

Office Hours: by appointment (dino.gerardi@carloalberto.org)

Grades
The grades will be determined as follows: midterm 40%, final exam 60%. There will be problem sets about once a week. The midterm will be on Friday, March 23rd.

Course Texts


Jehle and Reny is more advanced than Nicholson and Snyder. The lectures will be at at an intermediate level between the two books (but closer to Jehle and Reny).
The course will provide a rigorous survey of microeconomic theory. In the first half of the course we will examine the economic behavior of consumers and firms. The second half will be devoted to the study of selected topics: game theory, market failures, information economics and public choice theory.

I. Introduction.

II. Choice Under Certainty (5 lectures).
Preferences and Utility (JR 1.2); The Consumer’s Problem (JR 1.3); Indirect Utility and Expenditure Functions (JR 1.4); Properties of Consumer Demand (JR 1.5); Revealed Preference (JR 2.3).

III. Choice Under Uncertainty (3 lectures).
Objective Probability and Expected Utility (JR 2.4); Subjective Probability (JR 2.4); Risk Aversion (JR 2.4).

IV. Theory of the Firm (2 lectures).
Production Functions (JR 3.2); Cost Functions (JR 3.3); Profit Maximization (JR 3.5).

V. Partial Equilibrium (1 lecture).
Perfect Competition (JR 4.1); Equilibrium and Welfare (JR 4.3).

VI. General Equilibrium (5 lectures).
The Edgeworth Box Exchange Economy (JR 5.1); Exchange Economies (JR 5.2); The Efficiency of Competitive Equilibria (JR 5.2.2); General Equilibrium with Production (JR 5.3); The Core (JR 5.4).

VII. Asymmetric Information and Market Failures (2 lectures).
Information Economics (JR 8); Externalities; Public Goods.

VIII. Game Theory and Imperfect Competition (2 lectures).
Monopoly; Game Theory: Static Games (JR 7.2); Game Theory: Dynamic Games (JR 7.3); Oligopoly (JR 4.2); Auctions (JR 9).