Department of Economics, Faculty of Economics and Commerce, University of Melbourne

ECON40001: Advanced Microeconomics

Semester 1, 2014

Subject outline

Contact Details

Subject coordinators:
Georgy Artemov (gartemov@unimelb.edu.au)
Claudio Mezzetti (cmez@unimelb.edu.au)

Tutor:

Lectures:
James Nesbit (jmnesbit@unimelb.edu.au)
Svetlana Danilkina (sdanilki@unimelb.edu.au)
Monday 9:00 – 10:30
Wednesday 11:00 – 12:30

Office Hours:
GA: Friday 9:55 – 10:55
CM: TBA
JN: TBA
Topics covered

This subject is an introduction to advanced microeconomics and to the economics of information and strategic behaviour. Topics to be covered include decision making under uncertainty, the interaction of primal and dual methods of modelling producer and consumer behaviour, the existence and welfare properties of general equilibrium, the theory of market failure and public goods, an introduction to game theory, models of strategic behaviour in oligopoly, adverse selection, moral hazard, auctions and mechanism design.

Prerequisites

ECON30010 Microeconomics

Textbook

Advanced Microeconomic Theory (3rd Edition) by Geoffrey Jehle and Philip Reny

Tentative subject outline

The following section provides an approximate timetable for the entire semester. We will speed up or slow down as necessary and may include additional topics, time permitting. We will also update the outline throughout the semester to include more details.

Georgy Artemov will teach lectures 1-12 (before the mid-semester examination), Claudio Mezzetti will teach lectures 14-24.

Topic

References

Lectures 1-2
Introduction Consumer Theory
Ch. 1
Lectures 3-5
Uncertainty
Ch. 2.4
Lectures 6-7
Theory of the firm Perfect competition  Monopoly
Ch. 3, Ch. 4
Lectures 8 - 12
General Equilibrium
Ch. 5
Lecture 13: Midterm (14/04/2014)
Lectures 14-15
Strategic Games

Ch. 7.1, 7.2, 4.2.1, 4.2.2
Lectures 16-17
Adverse Selection and Moral Hazard
Ch. 8.1.1, 8.2
Lectures 18-23
Auctions and Mechanism Design

Ch. 9
Assessment

There will be six problem sets (20%), a 1.5-hour midterm examination (20%) and a 2-hour end-of semester examination (60%). Only the five best scores for the problem sets will be counted towards the final score (each assignment's weight is 4%).

Due dates for the problem sets are:

Monday March 17
Monday March 31
Wednesday April 9
Monday May 5
Monday May 19
Wednesday May 28
You are allowed and encouraged to work on the homework assignments in groups, however the final writing must be individual. You can submit hard copies of the solutions on tutorials, or leave them under Svetlana’s office door by 5 p.m. on the due date, or submit electronically using the Assignment Tool by 11:59 p.m. on the due date. Please do not submit them during the lectures: they may get lost. Homework assignments will be marked out of 20 points. Late homework submissions will lose 5 points each day (the submission that is late for one day will be scored out of 15 and the submission that is late four days will not be marked).

Midterm and final examinations are open book. The final examination will include one question from lectures 1-12.

Other information

Email Protocol

While academic staff endeavour to address queries received via email, it is more appropriate to resolve substantive questions face-to-face during normal consultation hours. With this in mind, we encourage all students to familiarize themselves with the consultation hours offered by lecturers and tutors in this subject.

Please note that we are only able to respond to student emails coming from a University email address. Please do not use personal email addresses such as Yahoo, Hotmail or even business email addresses. Emails from non-University email addresses may be filtered by the University’s spam filter, which means that we may not receive your email.

All correspondence relating to this subject will only be sent to your University email address. Note that you must first activate your University email address before you can send or receive emails at that address. You can activate your email account at this link: http://accounts.unimelb.edu.au/.

Plagiarism and Collusion

Presenting material from other sources without full acknowledgement (referred to as plagiarism) is heavily penalised. Penalties for plagiarism can include a mark of zero for the piece of assessment or a fail grade for the subject. Plagiarism is the presentation by a student of an assignment identified as his or her own work even though it has been copied in whole or in part from another student’s work, or from any other source (eg. published books, web-based materials or periodicals), without due acknowledgement in the text.
Collusion is the presentation by a student of an assignment as his or her own work when it is, in fact, the result (in whole or in part) of unauthorised collaboration with another person or persons. Both the student presenting the assignment and the student(s) willingly supplying unauthorised material are considered participants in the act of academic misconduct. See http://www.services.unimelb.edu.au/plagiarism/plagiarism.html for more information.

The Teaching and Learning Unit has developed a web-based ‘Academic Honesty Module’ that allows you to learn more about and test your knowledge of plagiarism and collusion. You are strongly encouraged to complete this module, which can be accessed at: http://tlu.ecom.unimelb.edu.au/AcademicHonestyTest/index.cfm