ECON40001/90063: Advanced Microeconomics

Semester 1, 2015

Subject outline

Contact Details

Subject coordinators: Georgy Artemov (gartemov@unimelb.edu.au)
Tutor: Ellen Muir (e.muir@student.unimelb.edu.au)
Svetlana Danilkina (sdanilki@unimelb.edu.au)

Lectures: Wednesday 13:00 - 14:30
Friday 10:30 - 12:00

Office Hours: GA: Monday 11:00 - 12:00
EM: TBA
SD: 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 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. I will speed up or slow down as necessary and may include additional topics, time permitting. I will also update the outline throughout the semester, especially the second part, lectures 14-23.
**Topic**  
**References**

**Lectures 1-5**

Introduction. Consumer Theory. Ch. 1

**Lectures 5-7**

Uncertainty Ch. 2.4

**Lectures 8 - 12**

General Equilibrium Ch. 5

**Lecture 13: Midterm (24/04/2014)**

**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 during the lecture (20%) and a 3-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:

<table>
<thead>
<tr>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wednesday March 18</td>
</tr>
<tr>
<td>Wednesday April 1</td>
</tr>
<tr>
<td><strong>Monday</strong> April 20 (TBC)</td>
</tr>
<tr>
<td>Wednesday May 6</td>
</tr>
<tr>
<td>Wednesday May 20</td>
</tr>
<tr>
<td>Wednesday May 27</td>
</tr>
</tbody>
</table>

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 Wednesday lecture (or Monday tutorial), or submit electronically using the Assignment Tool by 11:59 p.m. on the due date. 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* (you can bring any printed material but not your laptop/tablet). 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/](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 (e.g. 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](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](http://tlu.ecom.unimelb.edu.au/AcademicHonestyTest/index.cfm)