

**Economics 9451: Advanced Microeconomic Theory I**  
Fall 2020

**Instructor:** Dr. X. H. Wang  
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**Class Time and Location:** MW 11am – 12:15pm Middlebush 210

**Course Webpage:** Canvas at <https://courses.missouri.edu/>

**Course Description:** This is the first PhD course in microeconomic theory. Microeconomic theory is a set of analytical tools designed to help us understand economic phenomena. The basic assumptions that underlie the theory are that individuals pursue well-defined objectives, take into account their knowledge of the environment and in strategic situations take into account their expectations of other individuals' behavior. Microeconomic models are abstract representations of collections of real-life situations and microeconomics uses mathematics to express its ideas formally. Topics of this course include consumer theory, producer theory, partial equilibrium, general equilibrium, and theory of choice under uncertainty.

**Textbook:**

Andreu Mas-Colell, Michael Winston, and Jerry Green, **Microeconomic Theory** (MWG)

**Supplementary Materials:**

Guoqiang Tian, **Lecture Notes: Microeconomic Theory** (GT)  
<http://people.tamu.edu/~gtian/microeconomic%20theory-2018-01.pdf>

Other readings to be posted in Canvas

**Grading:** Grades for the course will be determined by class participation and homework assignments (10%), and two tests (45% each). Plus/minus grades will be used.

**Exam Schedule:**

Test I	October 14 Wednesday
Test II	December 17 Thursday 3pm – 5pm

**Make-up Exams:** Make-up exams will generally not be given. A request for alternative arrangements must be in writing and must be accompanied by appropriate documentation for not taking the scheduled exam.

**Office Hours:** There are no scheduled office hours. You are welcome to email me requests for Zoom meetings. My preferred Zoom meeting times are on Tuesdays from 3:00pm-5:00pm. However, if you cannot meet me during these hours, specify in your email your available times and I will respond with a proposed meeting time based on your availability and mine.

## Course Outline

### 1. Consumer Theory

- preferences
- consumer choice
- demand

*Readings:* Chapters 1-3 (MWG); Chapter 2 (GT)

*Other readings:*

Debreu, G. (1959) Theory of Value, Wiley.

Deaton, A. and J. Muellbauer (1980) Economics and Consumer Behavior, Cambridge University Press.

Stigler, J. (1950) "The development of utility theory," *Journal of Political Economy*, 373-396.

### 2. Producer Theory

- production set
- profit maximization
- cost minimization

*Readings:* Chapter 5 (MWG); Chapter 3 (GT)

*Other readings:*

Debreu, G. (1959) Theory of Value, Wiley.

Samuelson, P. (1947) Foundations of Economic Analysis, Harvard University Press.

Shepherd, W. (1970) Theory of Cost and Production Functions. Princeton University Press.

### 3. Partial Equilibrium

- partial equilibrium
- Pareto optimality
- welfare analysis

*Readings:* Chapter 10 (MWG); Chapter 6 (GT)

*Other readings:*

Marshall, A. (1890) Principles of Economics, MacMillan.

Samuelson, P. (1947) Foundations of Economic Analysis, Harvard University Press.

Stigler, J. (1987) The Theory of Price, MacMillan.

#### 4. General Equilibrium

- pure exchange economy
- production economy
- Walrasian equilibrium

*Readings:* Chapters 15-17 (MWG); Chapters 7-8 (GT)

*Other readings:*

Arrow, K. and G. Debreu (1954) "Existence of equilibrium for a competitive economy," *Econometrica*, 265-290.

Debreu, G. (1959) Theory of Value, Wiley.

Arrow, K. and F. Hahn (1971) General Competitive Analysis, Elsevier Science Publishing.

#### 5. Theory of Choice under Uncertainty

- expected utility theory
- risk aversion
- choice under uncertainty

*Readings:* Chapter 6 (MWG); Chapter 4 (GT)

*Other readings:*

Arrow, K. (1965) Aspects of the Theory of Risk-Bearing, Yrjo Jahnssonin.

Pratt, J. (1964) "Risk aversion in the small and in the large," *Econometrica*, 122-136.

Von Neumann, J. and O. Morgenstern (1944) Theory of Games and Economic Behavior, Princeton University Press.

## **ACADEMIC INTEGRITY POLICY**

Academic honesty is fundamental to the activities and principles of a university. All members of the academic community must be confident that each person's work has been responsibly and honorably acquired, developed, and presented. Any effort to gain an advantage not given to all students is dishonest whether or not the effort is successful. The academic community regards academic dishonesty as an extremely serious matter, with serious consequences that range from probation to expulsion. When in doubt about plagiarism, paraphrasing, quoting, or collaboration, consult the course instructor.

Academic Dishonesty includes but is not necessarily limited to the following:

- A. Cheating or knowingly assisting another student in committing an act of cheating or other academic dishonesty.
- B. Plagiarism which includes but is not necessarily limited to submitting examinations, themes, reports, drawings, laboratory notes, or other material as one's own work when such work has been prepared by another person or copied from another person.
- C. Unauthorized possession of examinations or reserve library materials, or laboratory materials or experiments, or any other similar actions.
- D. Unauthorized changing of grades or markings on an examination or in an instructor's grade book or such change of any grade report.

**ACADEMIC INTEGRITY PLEDGE:** *"I strive to uphold the University values of respect, responsibility, discovery, and excellence. On my honor, I pledge that I have neither given nor received unauthorized assistance on this work."* Students are expected to adhere to this pledge on all graded work whether or not they are explicitly asked in advance to do so.

The University has specific academic dishonesty administrative [procedures](#). Although policy states that cases of academic dishonesty must be reported to the Office of the Provost for possible action, the instructor may assign a failing grade for the assignment or a failing grade for the course, or may adjust the grade as deemed appropriate. The instructor also may require the student to repeat the assignment or to perform additional assignments. In instances where academic integrity is in question, faculty, staff and students should refer to [Article VI of the Faculty Handbook](#). Article VI is also available in the [M-Book](#). Article VI provides further information regarding the process by which violations are handled and sets forth a standard of excellence in our community.

## **ADA STATEMENT (FROM OFFICE OF THE PROVOST)**

If you anticipate barriers related to the format or requirements of this course, if you have emergency medical information to share with me, or if you need to make arrangements in case the building must be evacuated, please let me know as soon as possible.

If disability related accommodations are necessary (for example, a note taker, extended time on exams, captioning), please register with the *Disability Center* (<http://disabilitycenter.missouri.edu>), S5 Memorial Union, 573- 882-4696, and then notify me of your eligibility for reasonable accommodations. For other MU resources for persons with disabilities, click on "Disability Resources" on the MU homepage.

## **Intellectual Property Notice**

All course materials including but not limited to the syllabus, course assignments, study guides, learning guides, online lecture videos and content, and lab book (i.e. course pack) are property of the instructor and University and may not be shared online or distributed in any manner to others. Students are prohibited from posting course materials or notes online and from selling notes to or being paid for taking notes by any person

or commercial firm without the express written permission of the professor teaching this course. Doing so will constitute both an academic integrity violation and a copyright violation. Violations of copyright laws could subject you to civil penalties and criminal liability. Violations of academic integrity may subject you to disciplinary action under University policies.

### **Audio/Video Recording**

University of Missouri System Executive Order No. 38 lays out principles regarding the sanctity of classroom discussions at the university. The policy is described fully in Section 200.015 of the Collected Rules and Regulations. In this class, students may not make audio or video recordings of course activity, except students permitted to record as an accommodation under Section 240.040 of the Collected Rules. All other students who record and/or distribute audio or video recordings of class activity are subject to discipline in accordance with provisions of Section 200.020 of the Collected Rules and Regulations of the University of Missouri pertaining to student conduct matters.

Those students who are permitted to record are not permitted to redistribute audio or video recordings of statements or comments from the course to individuals who are not students in the course without the express permission of the faculty member and of any students who are recorded. Students found to have violated this policy are subject to discipline in accordance with provisions of Section 200.020 of the Collected Rules and Regulations of the University of Missouri pertaining to student conduct matters.

### **INTELLECTUAL PLURALISM STATEMENT (FROM OFFICE OF THE PROVOST)**

The University community welcomes intellectual diversity and respects student rights. Students who have questions concerning the quality of instruction in this class may address concerns to either the Departmental Chair or Divisional leader or Director of the [Office of Students Rights and Responsibilities](http://osrr.missouri.edu) (<http://osrr.missouri.edu>). All students will have the opportunity to submit an anonymous evaluation of the instructor(s) at the end of the course.

### **TITLE IX**

University of Missouri policies prohibit discrimination on the basis of race, color, national origin, ancestry, religion, sex, gender, gender identity, gender expression, sexual orientation, pregnancy, age, genetic information, disability and protected veteran status. Discrimination includes any form of unequal treatment such as denial of opportunities, harassment, and violence. Sex-based violence includes rape, sexual assault, unwanted touching, stalking, dating/interpersonal violence, and sexual exploitation.

If you experience discrimination, you are encouraged (but not required) to report the incident to the MU Office for Civil Rights & Title IX. Learn more about your rights and options at [civilrights.missouri.edu](http://civilrights.missouri.edu) or call 573-882-3880. You also may make an anonymous report online.

Students may also contact the Relationship & Sexual Violence Prevention (RSVP) Center, a confidential resource, for advocacy and other support related to rape or power-based personal violence at [rsvp@missouri.edu](mailto:rsvp@missouri.edu) or 573-882-6638, or go to [rsvp.missouri.edu](http://rsvp.missouri.edu).

Both the [Office for Civil Rights & Title IX](#) and the [RSVP Center](#) can provide assistance to students who need help with academics, housing, or other issues.

## Decreasing the Risk of COVID-19 in Classrooms and Labs

MU cares about the health and safety of its students, faculty, and staff. To provide safe, high-quality education amid COVID-19, we will follow several specific campus policies in accordance with the advice of the Center for Disease Control and Boone County health authorities. This statement will be updated as information changes.

- **If you are experiencing any COVID-related symptoms**, or are otherwise feeling unwell, do not attend in-person classes and contact your health care provider and/or student health immediately. COVID symptoms include: fever greater than 100.4 or chills; cough, shortness of breath or difficulty breathing; fatigue; unexplained muscle or body aches; headache; new loss of taste or smell; sore throat; congestion or runny nose; nausea or vomiting; diarrhea.
- We will all **wear face coverings while in the classroom**, unless you have a documented exemption due to a disability or medical condition.
- We will **maintain a 6-foot distance from each other at all times** (except in specific lab/studio courses with other specific guidelines for social distancing).
- We will enter the classroom and **fill the room starting at the front, filing all the way across a row**. When class ends, we will exit the row nearest to the door first; the instructor or TA will give the signal for the next row to exit, in the same manner.
- In any small section or lab class that requires them, **additional measures will be listed in the syllabus and be mandatory for class participation**.
- Online office hours will be available for all students.

Compliance with these guidelines is required for all; anyone who fails to comply will be subject to the [accountability process](#), as stated in the University's [Collected Rules and Regulations](#), Chapter 200 Student Code of Conduct.

If an instructor has concerns about how a student is following COVID-19 policies and protocols, please report those concerns to the Office of the Dean of Students. You can fill out a COVID Safety Measures Reporting Form here:

[https://cm.maxient.com/reportingform.php?UnivofMissouriSystem&layout\\_id=38](https://cm.maxient.com/reportingform.php?UnivofMissouriSystem&layout_id=38)

By taking the above measures, we are supporting your health and that of the whole Mizzou community. Thank you in advance for joining me and your peers in adhering to these safety measures.

**Last Updates July 18, 2020**