

Economics 9452: Advanced Microeconomic Theory II

Spring 2018

Class time and location: Tuesday/Thursday 8-9:15am, Walter Williams Hall 245.

Instructor: Oksana Loginova, 333 Professional Bldg, loginovao@missouri.edu, 573-882-4229.

Office hours: Friday 9-10:30am, or by appointment.

Course description: Microeconomic theory is a set of analytical tools designed to help us understand economic phenomena. The basic assumptions that underlie microeconomic 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. This course is the continuation of Economics 9451. Topics include general equilibrium theory, choice under uncertainty, game theory, and information economics.

Textbook: Andreu Mas-Colell, Michael D. Whinston, and Jerry Green, *Microeconomic Theory*, Oxford University Press, 1995.

Course requirements and grading: There will be about ten homework assignments, a midterm exam (March 8) and a final exam (Monday, May 7, 12:30-2:30pm). All homeworks and exams will be of the problem-solving type. Your grades will depend on your performance on the homework assignments (15%), the midterm exam (35%) and the final exam (50%).

Canvas site: The course information, homework assignments, extra practice materials and announcements (including any changes made regarding the class) can be found on the course Canvas site. You may also check your homework and exam scores on the course Canvas site.

Major topics:

1. Choice under Uncertainty (MWG 6.A-6.C)
 - Expected Utility Theory
 - Money Lotteries and Risk Aversion
 - Comparison of Payoff Distributions in Terms of Return and Risk
2. General Equilibrium (MWG 15.A-15.D)
 - Pure Exchange Economy
 - The One-Consumer, One-Producer Economy
 - The 2×2 Production Model
3. Information Economics (MWG 13.A-13.D, MWG 14.A-14.C, outside sources)
 - The Principal-Agent Problem
 - Adverse Selection
 - Signaling
 - Competitive Screening
4. Market Power (MWG 12.A-12.E)
 - Monopoly Pricing
 - Static Models of Oligopoly
 - Repeated Interactions
 - Entry

5. Externalities and Public Goods (MWG 11.A-11.C)

- A Simple Bilateral Externality
- Public Goods

Makeup exams: Students are expected to take exams at the times scheduled in the syllabus. Possible exceptions include serious illness, family emergency, or a legitimate conflict with recognized University activities. If these apply, you must contact me to request a makeup. Make these arrangements as soon as you know of the conflict.

Statement on academic integrity: Academic integrity 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 breaches of the academic integrity rules as extremely serious matters. Sanctions for such a breach may include academic sanctions from the instructor, including failing the course for any violation, to disciplinary sanctions ranging from probation to expulsion. When in doubt about plagiarism, paraphrasing, quoting, collaboration, or any other form of cheating, consult the course instructor.

Statement concerning students with disabilities: 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 Office of Disability Services (<http://disabilityservices.missouri.edu>), S5 Memorial Union, 882-4696, and then notify me of your eligibility for reasonable accommodations. For other MU resources for students with disabilities, click on "Disability Resources" on the MU homepage.

Statement on intellectual pluralism: The University community welcomes intellectual diversity and respects student rights. Students who have questions or concerns regarding the atmosphere in this class (including respect for diverse opinions) may contact the Departmental Chair or Divisional Director; the Director of the Office of Students Rights and Responsibilities (<http://osrr.missouri.edu/>); or the MU Equity Office (<http://equity.missouri.edu/>), or by email at equity@missouri.edu. All students will have the opportunity to submit an anonymous evaluation of the instructor at the end of the course.