

M.Sc. Economics

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| Code: | | Type: | M.Sc. 1 st semester lecture series |
| Title: | Microeconomics I | | |
| Lecturer: | Leopold Sögner | | |
| ECTS: | 7 | Contact hours (per semester): | 24 à 90 min. |
| Semester: | Winter 2009/10 | Frequency of the lecture: | Twice a week 90 min. |
| Dates: | October 7 th , 2009 until January 20 th , 2010 | | |
| Prerequisites: | Knowledge of constrained optimization | | |

Learning objectives (What are the intended learning outcomes? Which skills will be acquired?):

The Micro I course covers key concepts of microeconomic theory. In this course students acquire a basic understanding of microeconomic concepts. In addition the students get familiar with the analytical tools used in microeconomics.

Content (Which professional competence and which contents will be imparted?):

- Decision Theory and the Theory of the Consumer:
 - Preference primitives and axioms, revealed preference theory, preference representations,
 - Expected utility theorem, risk aversion, subjective probability, states and state dependent utility, updating and Bayes rule, risk and uncertainty.
 - Theorem of the maximum, constrained optimization, comparative statics, indirect utility, Slutsky equation,
 - Duality theory, integrability of demand
- Producer Theory:
 - Production sets and returns to scale,
 - Production functions, cost minimization,
 - Profit maximization, duality.
- Partial Equilibrium Theory
 - Perfect competition,
 - Imperfect Competition,
 - Equilibrium and Welfare.

Teaching approach (Description of the learning and teaching methods):

Lecture and group work

Workload (Optional: definition of workload (ECTS), divided in pre-modules (e.g. pre-readings), core-modules (contact hours), post-modules (e.g. case studies)):

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Language of instruction (Information on the language of teaching):

English

Obligatory literature (E.g. scripts, books, articles, cases, papers):

- Slides handed out in the course of the semester,
- Jehle G.A. and P. J. Reny, Advanced Microeconomic Theory, Addison-Wesley Series in Economics, Longman, Amsterdam, 2000. Chapters 1-4
- Ritzberger, K., Foundations of Non-Cooperative Game Theory, Oxford University Press, 2002. Chapter 2.

Additional literature (E.g. books, articles, cases, papers):

- Gollier C., The Economics of Risk and Time, Mit Press, 2004. Chapters 1-4.

Mode of examination (Mode of the examinations and tests (e.g. oral or written examination, lecture, homework, papers, class participation):

There will be one problem set per week. The problems will be handed every Monday after class (as well as posted on the web) and are due the next week on Monday at the beginning of class. The graded problem sets will be returned in the practice session.

After consumer theory there will be a mid-term exam.

After the last session there will be a final exam on production theory and partial equilibrium theory.

Grading:

- The problem sets account for 20% of the course grade (5% for the written solutions + 15% for classroom participation). Exercises handed in after the deadline will be awarded half of the points without any exceptions.
- Each, the mid-term and the final exam, account for 40%.

Special features (E.g. excursion, guest speaker):

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Contact information:

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Course website:

<http://ihs.ac.at/~soegner/teaching/micro1.html> and <https://cecnet.tuwien.ac.at/>