THE UNIVERSITY OF THE WEST INDIES
MONA CAMPUS
Department of Economics
Kingston 7
Jamaica, W.I.

ECON6004: Microeconomic Theory I

Year: Semester I, 2020

Lecturer: Patrice Whitely

Office hours: Tuesdays 2-4 Thursdays 1-2, and by appointment

Course Description

Microeconomics is the study of individual agents in the economy and the choices that they make. At its foundation is the acknowledgement of the fact that resources are limited. Therefore individuals have to make choices about how best to allocate these resources. This course takes an in-depth look at how these choices are made. It is the first of two graduate Microeconomic theory courses. We start by assuming that markets are perfectly competitive. This assumption will be relaxed in Microeconomic Theory II.

Learning Outcomes

At the end of the course students should be able to:
1. Determine the first and second order conditions for profit and utility maximization
2. Determine the first and second order conditions for cost minimization
3. Solve for the firm's profit function, factor demand function and cost function
4. Solve for the consumer's Marshallian demand function, Hicksian demand function, expenditure function, the money metric utility function and indirect utility function.
5. Determine the shape (convexity or concavity) of functions
6. Find the competitive equilibrium given initial endowments and information about consumer preferences
7. Find the pareto efficient allocation
8. Distinguish between the first and second theorem of welfare economics
9. Explain the Robinson Crusoe model
10. Explain the pure exchange economy
11. Apply the Kuhn-Tucker conditions
12. Apply the weak axiom of profit maximization
13. Apply Shepard's lemma
14. Explain the assumptions made about preferences
15. Apply Roy's identity
16. Apply the Slutsky equation
17. Apply Walras' Law

Modes of Delivery

Three lecture hours per week.

Assessment

Final Exam	50%
Mid-term Exam	30%
Graded Assignments	20%

Syllabus

1. Theory of the Firm – Varian chapters 1-6, MWG chapter 5
2. Theory of the Consumer – Varian chapters 7-9, MWG chapters 1-3
3. General Equilibrium Theory – Varian chapters 13, 17-18, MWG chapter 15

Resources

Required Textbook
Microeconomic Analysis by Hal Varian (Referred to as Varian)

Recommended Textbooks
Microeconomic Theory by Andreu Mas-Colell, Michael D. Whinston and Jerry R. Green (Referred to as MWG)
Mathematics for Economic Analysis by Knut Sydsaeter and Peter Hammond (Referred to as SH)