

ECON 8002/4162: Microeconomic Analysis

University of Minnesota, Fall, 2001 Session 2

Lecture: TTh 2:30-3:45, BlegH 215

Discussion: Th 4:00-5:15, BlegH 215

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Office Hours: Tuesday, 3:45-5:45

Teaching Assistant: Nicolas Figueroa.

Description Economics 8002/4161 is part of the full-year sequence in microeconomic analysis for doctoral students minoring in economics. Undergraduates will sometimes take the course if they are considering a Ph.D. program in economics. The prerequisites are intermediate microeconomics, multivariable calculus, and linear algebra. This half-semester course, the second in the sequence, covers topics that are often termed Industrial Organization.

Grading There will be five weekly problem sets (30 % of the grade) and a final exam (70 % of the grade). Late problem sets will not count. Only your four best problem sets will factor into your grade.

Problem Sessions To do well in this course it is important to work through lots of problems. Every Thursday afternoon Nicolas Figueroa will go over problems and discuss related material.

Scholastic Honesty See Ed Foster's syllabus.

Readings The required text is *Microeconomic Analysis* by Hal Varian. I have also assigned some articles from journals. These can be easily downloaded from <http://www.lib.umn.edu/articles/ej.phtml> (click on JSTOR).

Topics The following list is a weekly summary of topics, readings, and assignments.

1. **(10/25) Uncertainty**
 - Varian, Chapter 11.
 - Problem Set #1 assigned (10/25, due 11/1).
2. **(10/30, 11/1) Competitive Markets**
 - Varian, Chapter 13.
 - Problem Set #2 assigned (11/1, due 11/8).
3. **(11/6, 11/8) Competitive Markets**
 - Lucas, “Adjustment Costs and the Theory of Supply,” *Journal of Political Economy*, 1967: 321-334.
 - Hopenhayn, “Entry, Exit, and Firm Dynamics in Long Run Equilibrium,” *Econometrica*, 1992: 1127-1150.
 - Problem Set #3 assigned (11/8, due 11/15).
4. **(11/13, 11/15) Econometrics**
 - Varian, Chapter 12.
 - Problem Set #4 assigned (11/15, due 11/29).
5. **(11/20) Monopoly**
 - Varian, Chapter 14.
6. **(11/27, 11/29) Game Theory**
 - Varian, Chapter 15.
 - Problem Set #5 assigned (11/29, due 12/6)
7. **(12/4, 12/6) Oligopoly**
 - Varian, Chapter 16.
8. **(12/11, 12/13) Monopolistic Competition**
 - Dixit and Stiglitz, “Monopolistic Competition and Optimum Product Diversity,” *American Economic Review*, 1977: 297-308.
 - Krugman, “Scale Economies, Product Differentiation, and the Pattern of Trade,” *American Economic Review*, 1980: 950-959.
9. **(12/18) Final Exam (1:30-3:30 PM)**