

## Syllabus for Microeconomic Theory I (4 units)

Instructors: Joseph Tao-yi Wang (王道一, part 1) & Pohan Fong (馮勃翰, part 2)

Classroom and Time: Wed 2:20-5:20pm, and Fri 2:20-4:20am, at Social Sciences 306

### Part 1: Optimization, Consumer Decision and Uncertainty

Class website: [http://homepage.ntu.edu.tw/~josephw/essential\\_micro\\_theory\\_14F.htm](http://homepage.ntu.edu.tw/~josephw/essential_micro_theory_14F.htm)

**Instructor:** Joseph Tao-yi Wang ([josephw@ntu.edu.tw](mailto:josephw@ntu.edu.tw)) Office: Social Sciences 754

**Office Hours:** Fri 4:20-5:20pm (after class) or by email appointment

**Textbooks:** Riley (2012), *Essential Microeconomics*, Cambridge University Press. (EM)

**Reference:** Mas-Colell, Whinston and Green (1995), *Microeconomic Theory*, Oxford UP, 1995. (MWG)

**Grades and Requirements:** Homework assignments (15%), one quiz (5%) and midterm exam on 11/12 (30%). Any request of absence must be filed in advance (before 11/12, 2pm, unless due to medical emergency). Re-grade requests must be submitted in writing within 1 week the exam is returned and are performed on the entire exam.

#### Course outline:

1. [9/17] Concavity and Quasi-Concavity (EM A.5, B.2) and Supporting Prices (EM 1.1)
2. [9/19] Shadow Prices and Monopoly Pricing with Joint Costs (EM 1.2, 1.5)
3. [9/24] Envelope Theorem (EM 1.3)
4. [9/26] Theory of Choice (EM 2.1)
5. [10/1] Budget Constrained Consumer Choice with 2 Commodities (EM 2.2)
6. [10/3] Budget Constrained Consumer Choice with n Commodities (EM 2.3)
7. [10/8] The 2x2 Exchange Economy (EM 3.1)
  - [10/10] National Holiday
8. [10/15] The Fundamental Welfare Theorems (EM 3.2)
9. [10/17] Quiz and TA session
10. [10/22] Theory of Risky Choice (EM 7.1)
11. [10/24] Attitude toward Risk (EM 7.2)
12. [10/29] Comparing Risky Alternatives (EM 7.3)
13. [10/31] Principal-Agent Problem (EM 7.4)
14. [11/5] More Principal-Agent Problems: Hidden Information vs. Hidden Action (MWG)
15. [11/7] (Optional) Edgeworth Box Bargaining Experiments (Sunder)
  - [11/12] Written Midterm Exam
16. [11/14] (Optional) Risk and Time Preference Experiments

**Note:** This half is taught solely in English, and you have to finish all assignments in English. I pre-commit NOT to understand Chinese either in class or when grading.