

**Econ 601**  
**Microeconomic Theory**  
FALL 2014

**Instructor:** Prof. Huseyin Yildirim, Soc. Sci. 205, phone: 660-1805, email: Huseyin.Yildirim@duke.edu

**TAs:** Maya Ward, email: maya.ward@duke.edu; Congshan Zhang, email: congshan.zhang@duke.edu

**Time and Location:** TuTh 8:30-9:45 AM, Soc Psy 130

**Office Hours:** Tu: 10:00-11:00 AM (Yildirim)/ Fri: 10:00-11:00 AM (Soc. Sci. 327) (Ward)/ Th: 6:00-7:00 PM (Soc. Sci. 111) Zhang (TBA)

**TA Sessions:** M: 6:30-7:30 PM Soc Psy 130 Note: Physics 130 on Sep. 22nd and Oct. 13th

**Textbooks:**

- (Required) *Advanced Microeconomic Theory* by G. Jehle and P. Reny, 3rd Ed.
- (Optional) *Microeconomic Analysis* by Hal Varian

**Objective:** This course reviews basic microeconomic topics such as consumer and producer theories, partial and general equilibrium, and if time permits, more modern topics such as public good provision, and the principal-agent problem. During the review, formal arguments will be used, with an eye on applied aspects of the theories. Good knowledge of calculus is required.

**Grading:** There will 1 midterm and 1 final exam as well as 3-4 hws. They will count toward the grade as follows.

HW	10%
Midterm	40%
Final	50%

No notes or books will be allowed in the exams.

**Tentative Schedule:**

- **Consumer Theory**

Preferences and Utility: Preference Relation/Existence of Utility Function  
Choice: The Indirect Utility/Expenditure/Duality  
Demand: Slutsky Equation/Elasticity/Consumer's Surplus  
Revealed Preference  
Uncertainty and Risk Aversion

- **Producer Theory**

Technology: Returns to Scale/Technical Rate of Substitution  
Cost Function and Its Properties  
The Competitive Firm: Profit Function/Supply  
(MIDTERM EXAM: Oct. 21, Th, in class)

- **General Equilibrium**

A Pure Exchange Economy: Core/Pareto Efficiency/Walrasian Equilibrium/Welfare Theorems

- **More Modern Topics**

The Principal-Agent Problem  
Public Good Provision  
(FINAL EXAM: Dec. 9, Tu., 9:00 – Noon, in class)