

SUBJECT:	<b>Advanced Microeconomics</b>		
HOURS:	18	ECTS:	3

Name/title of the author:	<b>Dr Adrian Solek</b>
Course Description:	<p>Microeconomics studies how scarce resources used to satisfy human needs are allocated within the market (or price) system. In its mainstream, neoclassical approach it studies rational choice behaviour on the part of individual consumers and firms. This paradigm is based on the notion that agents have well defined objectives (e.g., maximizing utility or profits) and behave systematically according to the incentives and constraints of their economic environment.</p> <p>The course, as an extenuation of introductory courses of microeconomics, presents a coherent logical framework in which several models are developed and analyzed in order to help explain and predict a wide variety of human economic (and also seemingly non-economic) phenomena. Furthermore, the restricting assumptions of neoclassical model are relaxed to give a wider insight into economic and social phenomena from the behavioural point of view.</p>
Learning Outcomes (skills and knowledge):	<p>Upon completing this course students should be able to:</p> <ul style="list-style-type: none"> <li>— learn the language and methodology of microeconomics,</li> <li>— analyze and interpret real-world situations that occur in the economy, as well as apply microeconomic models to explain them,</li> <li>— understand the role of markets and government in allocating scarce resources,</li> <li>— assess the rationality of households', firms' and governments' decisions,</li> <li>— critically evaluate the limitations of the neoclassical paradigm in economics and employ alternative concepts to explain social phenomena.</li> </ul>
Course Content:	<ol style="list-style-type: none"> <li>1. Introduction: neoclassical microeconomics, marginal analysis, market equilibrium, Pareto efficiency</li> <li>2. Intertemporal choice, asset markets</li> <li>3. Uncertainty, risky assets</li> <li>4. Auctions</li> <li>5. Oligopoly and game theory</li> <li>6. Behavioral economics</li> <li>7. Externalities</li> <li>8. Economics of information</li> <li>9. Public goods, asymmetric information</li> </ol>
Methods of Instruction:	Lecture with slides; additional materials are supplied by the lecturer
Assessment policy (examination):	Final exam: multiple choice tests, problem-solving exercises, discussion questions
References:	<p>Main textbooks:</p> <ul style="list-style-type: none"> <li>• H. R. Varian, <i>Intermediate Microeconomics: A Modern Approach</i>, W.W. Norton, 2002.</li> <li>• T. Bergstrom, H. R. Varian, <i>Workouts in Intermediate Microeconomics</i>, W.W. Norton, 2002.</li> <li>• W. Nicholson, Ch.M. Snyder, <i>Intermediate Microeconomics And Its Application</i>, South-Western College Pub, 2009.</li> <li>• R. Hill, T. Myatt, <i>Economics. Anti-Textbook. A Critical Thinker's Guide To Microeconomics</i>, Fernwood Publishing &amp; Zed Books, 2010.</li> </ul> <p>Supplementary textbooks:</p> <ul style="list-style-type: none"> <li>• R. S. Pindyck, D. L. Rubinfeld, <i>Microeconomics</i>, Prentice Hall, 2008.</li> <li>• R. H. Frank, <i>Microeconomics and Behavior</i>, McGraw-Hill/Irwin, 2009.</li> </ul>