## ECONOMICS 001
## Microeconomic Theory 2
### Syllabus ( Summer 2017-18)

**Instructor:** Ram Singh
**Office:** ♯ 122 (Main Building)
**Email:** ramsingh@econdse.org

**Contact Hours**
Monday 12.00-1:30 pm and 2.30-4.30pm
Wednesday 2.00-4:30 pm

---

The structure of the course is as follows:

1. General Equilibrium Analysis:

   Barter; Core of Exchange economy; Market exchange; General equilibrium models of exchange and production; Existence of competitive equilibria; Uniqueness and Stability of Competitive equilibrium; Competitive equilibrium as Core allocation; Factor Price Equalization Theorem

2. Welfare Properties of Competitive Equilibria - First and Second Fundamental Theorems of Welfare Economics.

3. Welfare Economics:

   Welfare Criteria - Pareto Criterion; Kaldor Criterion; Scitovsky Criterion; Samuelson Criterion; Cost Benefit Analysis. Arrow's Impossibility Theorem and the related results

4. Market Failures:

   Market failure; Sources of market failure and their implications - Externalities; Public Good; Asymmetric Information.

**General References**[*]

- Jehle, G.A. and Reny, P.J. (2008). *Advanced Microeconomic Theory* (2nd Edition). Prentice Hall.

- Mas-Collel, A, M. Whinston and J.Green. (1995), *Microeconomic Theory.*'

- Feldman, Allan M. and Serrano, Roberto (2005). *Welfare Economics and Social Choice Theory* (2nd Edition), Springer, New York, USA.

- Sen A. (1970). *Collective Choice and Social Welfare.* San Francisco: Holden Day.

- Lionel W. McKenzie (2002). *Classical General Equilibrium Theory*, The MIT Press.

- Arrow, K. J., and Hahn, F. H. (1971) *General Competitive Analysis*, San Francisco, Holden Day

$^*$ The last two are suggested readings. In additional, we will cover several research papers published in economics journals. Some of you may not want to read research papers. In that case, you should attend classes regularly and should take the class room discussions seriously.

To simplify exposition of technical material, I will prepare and give you some reading material. The relevant topic-specific readings will be announced ahead of the lectures.

NOTE: If you have special requirement as student in this course, do let me know and I will try my best to accommodate.