

Advanced Microeconomics (MA)

Fall 2024

Content

Description Microeconomics studies the decisions of individuals and firms and their interaction in markets. This course is devoted to the basic methods of microeconomic analysis. It covers decision theory, household theory, and game theory. While decision theory deals with individual's choices, game theory analyzes situations where decision makers influence each other.

This course provides the basis for further courses in economics as well as for own work, e.g., writing a Master's thesis in the field of microeconomics.

Training Objectives In this course students will

- a) learn microeconomic methods
- b) learn game-theoretic methods
- c) deepen their knowledge in microeconomics

Syllabus

Part I *“Deep Micro”*

1. Introduction
2. Demand
3. Supply
4. General Equilibrium
5. Market Failure

Part II *Game Theory*

1. Static games with complete information
2. Dynamic games with complete information
3. Static Games with incomplete information
4. Dynamic games with incomplete information

Organisation

In part I *Deep Micro* the lectures are held by Berno Buechel and the exercise tutorials are given by Giovanni Valvassori Bolgè. In part II *Game Theory* the lectures are held by Holger Herz and the exercise tutorials are given by Francisco Gomez-Martinez. The room is PER 21, G120.

For questions please use the Q&A forum on moodle or write an email to giovanni.valvassoribolge@unifr.ch or francisco.gomezmartinez@unifr.ch.

Date	Time	Content
Thu 19.09.2024	8:15 - 9:15	Lecture I-1: Introduction
	9:30 - 12:00	Lecture I-2: Demand
Thu 26.09.2024	8:15 - 9:15	Exercises
	9:30 - 12:00	Lecture I-2: Demand
Thu 03.10.2024	8:15 - 9:15	Exercises
	9:30 - 12:00	Lecture I-2: Demand
Thu 10.10.2024	8:15 - 9:15	Exercises
	9:30 - 12:00	Lecture I-3: Supply
Thu 17.10.2024	8:15 - 9:15	Exercises
	9:30 - 12:00	Lecture I-3: Supply
Thu 24.10.2024	8:15 - 9:15	Exercises
	9:30 - 12:00	Lecture I-4: General Equilibrium
Thu 07.11.2024	8:15 - 10:00	Exercises
	10:15 - 12:00	Lecture I-5: Market Failure
Thu 31.10.2024	8:15 - 10:00	Lecture II-1: Static Games with Complete Information
	10:15 - 12:00	Lecture II-1: Static Games with Complete Information
Thu 14.11.2024	8:15 - 10:00	Lecture II-2: Dynamic Games with Complete Information
	10:15 - 12:00	Exercise: Nash Equilibrium
Thu 21.11.2024	8:15 - 10:00	Lecture II-2: Dynamic Games with Complete Information
	10:15 - 12:00	Exercise: Mixed Strategies
Thu 28.11.2024	8:15 - 10:00	Lecture II-3: Static Games with Incomplete Information
	10:15 - 12:00	Exercise: Subgame Perfection
Thu 05.12.2024	8:15 - 10:00	Lecture II-4: Dynamic Games with Incomplete Information
	12:15 - 12:00	Exercise: Repeated Games
Thu 12.12.2024	8:15 - 10:00	Lecture II-4: Dynamic Games with Incomplete Information
	10:15 - 12:00	Exercise: Static Games with Incomplete Information
Thu 19.12.2024	8:15 - 10:00	Exercise: Dynamic Games with Incomplete Information
	10:15 - 12:00	Exercise: Questions and Exam Preparation

Examination

Final Exam This class is graded through an end-of-semester written exam. The exam is 120 minutes long and covers both parts equally.

Supporting Materials

Lecture & Exercises All materials required for the class are available on Moodle.

The best preparation material for the final exam is the material shared during the lecture and exercises. Students are particularly advised to independently prepare for the exercise tutorials.

Reference Books The main textbooks for this course are:

JEHLE G., RENY. P. (3rd ed., 2011) *Advanced Microeconomic Theory*, Financial Times/Prentice Hall.

TADELIS, S. (2013) *Game Theory: An Introduction*, Princeton University Press.

There are many more textbooks on these topics. We can also recommend the following ones.

GIBBONS, R. (1992) *A Primer in Game Theory*, Pearson Education.

MAS-COLELL, A., WHINSTON, M. D., & GREEN, J. R. (1995) *Microeconomic Theory*, Oxford University Press.

OSBORNE, M. (1994) *An Introduction to Game Theory*, MIT Press.

OSBORNE, M., & RUBINSTEIN, A. (1994) *A Course in Game Theory*, MIT Press.

RUBINSTEIN, A. (2023) *Lecture Notes in Microeconomic Theory*, Princeton University Press.

Prerequisites From the Bachelor studies basic knowledge in the following topics is expected.

- Sets and mappings, e.g. functions
- Calculus, e.g. derivatives
- Optimization, e.g. Lagrange

- Choice under uncertainty, e.g. expected values
- Probability theory, e.g. Bayes' rule

Most textbooks cited above provide helpful summaries of these topics, usually in their mathematical appendices.