ECON 7050: Advanced Economic Theory

Fall 2010

Instructor: Professor Yongmin Chen
Office: Econ 112
Class Time: 1:30-2:45 MW
Class Room: ECON 119
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Office Hours: 10:30-12:00 a.m. MW

Course Description: This is the third graduate course in microeconomic theory. It contains several important topics that were not covered in the two previous microeconomic theory courses. It will also discuss some current research issues in microeconomic theory.

Course Materials: The textbook is *Microeconomic Theory*, by Mas-Colell, Whinston, and Green. Other reading materials, including articles, are indicated below or will be added during the semester.

Grading: Grades are based on homework and class participation (20%) and two exams (40% each). You are encouraged to form study groups to discuss homework and lecture materials.

Lecture Topics: Below is a tentative plan for the lectures. Changes will be announced in class during the semester and you are responsible for updating the information.

**Topic 1 Competitive Markets**
Readings: Ch. 10

**Topic 2 Externalities and Public Goods**
Readings: Ch. 11.

**Topic 3 Market Power: Static Models of Monopoly and Oligopoly**
Topic 4  Dynamic Models of Imperfect Competition and Entry
Readings: Ch. 12: 12D-12E.

Topic 5  The Principal-Agent Problem
Readings: Ch. 14

Exam 1.

Topic 6  Exclusive Contracts
Readings:

Topic 7  Search, Price Distribution, and Advertising
Readings:

Topic 8  Product Bundling
Readings:
Stigler, George (1963), "A Note on Block Booking," U.S.Supreme Court Reveiw, 1963, 152-175.

Topic 9. Bounded Rationality in Industrial Organization

Readings


Exam 2

Discuss and review current research in microeconomic theory.

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