



Ph.D. in ECONOMICS – Universities of Milan and Pavia

Microeconomics I - Theory of Production and Consumption Decisions

Academic year 2016-17 – Fall Term

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Course description

This course is a rigorous introduction to the modern microeconomic theory of the consumer and of the producer. Its objective is to equip doctoral students with the analytical tools required to read modern economic literature. The emphasis is on problem-solving and on empirical applicability of the material taught.

Course organization: There are 7 lectures, three hours each to be held in Via Pace, Room B.

Course Assessment: The assessment is based on a written exam.

COURSE OUTLINE

1. Consumer Theory: Preference and Utility. The Choice Problem

Reading: Varian - Chapter 7

1. Consumer Theory: Duality Approach: Indirect Utility Function, Roy's Identity and Marshallian Demand Functions

Reading: Varian - Chapter 8

2. Consumer Theory: Duality Approach: Expenditure Function and Shephard's Lemma and Hicksian Demand Functions

Reading: Varian - Chapter 8



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3. Theory of the Firm: Production Sets and Production Functions

Reading: Varian - Chapter 1

4. Theory of the Firm: Duality Approach: Cost Functions, Shephard's Lemma and Conditional Input Demand Functions

Reading: Varian - Chapters 2-5

5. Theory of the Firm: Duality Approach: Profit Functions, Hotelling's Lemma and Unconditional Input Demand Functions

Reading: Varian - Chapters 2-5

6. Problem Solving Session

References

H. R. Varian (1992), *Microeconomic Analysis*, New York: Norton (3rd edition)

Note

A useful, less rigorous, textbook to refresh your memory can be: H. R. Varian (1998), *Intermediate Microeconomics*, New York: Norton. Knowledge of differential calculus and free and constrained optimization techniques.



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