# Microeconomics

## Professor Mariacristina Piva

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The aim of the course is to provide a graduate level of training in microeconomic theory and policies especially with respect to consumer’s and firm’s behaviours and different market structures, including also potential market failures. Notwithstanding a rigorous formal approach, emphasis is given to the use of microeconomics to explain real economic events.

At the end of the course, the student will be able to:

* Understand the main laws governing the functioning of the economy from a microeconomic perspective.
* Identify the objectives of different economic agents.
* Detect the specific characteristics of various market structures.
* Recognise the reasons behind market failures and comprehend microeconomic policy interventions.

***COURSE CONTENT***

1. Introduction to microeconomics
2. Consumer theory

* Budget constraint (2)
* Preferences and utility functions (3, 4)
* Optimal choice of consumers (5)
* Consumer demand and market demand (6, 8, 15, 14)

1. Market

* Market equilibrium and taxes (16)

1. Production theory

* Technological constraints and production functions (18)
* Optimal choices of firms (19,20, 21)
* Firm and industry supply in perfect competition (22, 23)

1. Other market structures and market failures

* Monopoly and monopolistic behaviour (24, 25)
* Oligopoly (27)
* An introduction to game theory (28, 29)

1. General economic equilibrium

* Exchange economy (2x2 model) (31)
* Production economy (2x2x2 model) (32)

***READING LIST***

H.R. Varian, *Microeconomia,* 7a ed., Cafoscarina, Venice, 2012 (in the course content section, for each topic, chapters are reported in brackets).

M. Alborno-M. Piva, *Esercizi Svolti di Microeconomia*, Vita e Pensiero, Milan, 2007.

***TEACHING METHOD***

Lectures and class work.

***ASSESSMENT METHOD AND CRITERIA***

The final exam grade is on a 18-30 scale.

The evaluation process is based on:

1. A written mid-term exam at the end of the first part of the course. Passing the mid-term exam allows to take a written final exam at the end of the course only on contents of the second part. Each exam weights 50%.

Both exams will consist of open questions and some exercises (grades for each question will be reported in the exam-paper).

1. A written final exam on the whole programme (for students who do not participate to the mid-term exam or do not pass it).
2. Class work participation.

The main purpose of the exam is to assess reasoning ability and economic logic, analytical rigour and a good knowledge of the terminology adopted in microeconomics.

***NOTES AND PREREQUISITES***

Information on office hours are available on the professor's personal page at <http://docenti.unicatt.it/>

Being introductory, the teaching does not require prerequisites related to the contents. However, a certain familiarity with the tools from general mathematics and linear algebra is desirable.