

Microeconomic Theory

Single subject and programme course

7.5 credits

Mikroekonomisk teori

730A05

Valid from:

Determined by
The Quality Board at the Faculty of Arts
and Sciences

Date determined
2011-01-21

Revision date
2015-04-07

Main field of study

Economics

Course level

Second cycle

Advancement level

A1X

Course offered for

- Master programme in Economics
- International Business and Economics Programme
- Business and Economics Programme

Entry requirements

Completed Economics, basic course, 30 HE credits, Economics, continuation course, 30 HE credits, and Economics, in-depth course, 30 HE credits with at least 60 HE credits approved, or the equivalent. In addition to the above, good knowledge of Swedish and English, equivalent to the general entry requirements for first-cycle studies, is required.

Intended learning outcomes

On completion of the course, the student should be able to

- account for and by means of mathematical analytical methods derive relationships in central parts of microeconomic theory, including consumption theory, production theory, equilibrium theory and welfare theory.
- On a theoretical level analyse microeconomic issues by means of these theories

Course content

The following is covered in the course

- Basic assumptions, derivations and concepts within consumer theory. Utility function, indirect utility function and expenditure function. Optimum consumption over time. Compensating variation and equivalent variation.
- Basic assumptions, derivations and concepts within production theory. Production function, cost function in the short and long run. Profit maximisation in the short and long run.
- Partial equilibrium in a market with perfect competition in the short and long run. The effects of a disturbance under naive and rational expectations.
- Equilibrium in a monopoly and the effects of a disturbance under various assumptions about the expectations of the monopolist.
- General equilibrium, existence and stability.
- The basics of welfare theory. The Pareto criterion, the Pareto efficiency and the Pareto optimality. The Kaldor-Hicks compensation criterion. Pareto efficiency and perfect competition, the first and second theorem of welfare theory.
- Market imperfections and political imperfections. Monopoly. Externalities and the Coase theorem. Common land. Public goods. The theory of the second best. Political imperfections
- The von Neumann-Morgenstern utility theory and the basics of research theory.

Teaching and working methods

The course contains lectures and teaching sessions with presentations of practical assignments. The students should also study independently.

Examination

The course is completed with a written examination. Detailed information can be found in the study guide. Detailed information can be found in the study guide.

Students failing an exam covering either the entire course or part of the course twice are entitled to have a new examiner appointed for the reexamination.

Students who have passed an examination may not retake it in order to improve their grades.

Grades

Three-grade scale, U, G, VG

Other information

Planning and implementation of a course must take its starting point in the wording of the syllabus. The course evaluation included in each course must therefore take up the question how well the course agrees with the syllabus.

The course is carried out in such a way that both men's and women's experience and knowledge is made visible and developed.

Department

Institutionen för ekonomisk och industriell utveckling