Preliminary --- Subject to Change

ECONOMICS 200A – Part 2

MICROECONOMIC THEORY --- MARKETS AND WELFARE

A principal text for the course is Starr, General Equilibrium Theory: An Introduction, the second edition on the course website. Let Ross know of typos or errors. In addition we will use Mas-Colell, Whinston, and Green, Microeconomic Theory, Varian, Microeconomic Analysis, 3rd edition, Kreps, A Course in Microeconomic Theory.

Items shown with a bullet (●) are required reading for Economics 200B. Items shown with an asterisk (*) on the syllabus were once designated by the UCSD Economics faculty as sufficient preparation for the qualifying examination in microeconomics for these topics. *-designated material overlaps and extends ●-designated material; suggestion: read both. Material denoted by a dagger (†) is intended to provide additional depth and breadth for the topic presented but is not intended to appear on a class or qualifying examination.

There will be weekly problem sets required. There will be a take-home final exam.

I. The Robinson Crusoe model; the Edgeworth Box in Consumption and Factor allocation

  *Mas-Colell, Whinston, and Green, chap. 15
  *Varian, chap. 17
  †Nicholson, W., Microeconomic Theory: Basic Principles and Extensions, 2nd ed. chap 20, including appendices.
  †Arrow, K. J., and F. H. Hahn, General Competitive Analysis, chap 1.
II. The Arrow-Debreu Model of Competitive Equilibrium - Definition and Existence


• Arrow-Hahn, chap. 7, appendix B.4.
• Mas-Colell, Whinston, and Green, Appendix M.I, chap. 17
• Varian, chap. 17, 18
• Kreps, sections 6.1 - 6.4

† Douglas Gale, "Bargaining and Competition Part I: Characterization"


†Cornwall, R. R., Introduction to the Use of General Equilibrium Analysis, pp. 1-42.


†Arrow - Hahn, chapter 2.


III. Efficiency of Competitive Equilibrium, Fundamental Theorems of Welfare Economics


*Mas-Colell, Whinston, and Green, Appendix M.G, chap. 16
*Varian, chap. 17, 18
†Cornwall, R. R., Introduction to the Use of General Equilibrium Analysis, chapter 4.

†Arrow-Hahn, section 4-4
†Debreu, Theory of Value, chapter 6.


IV. Time and Uncertainty -- futures markets

V. Core of a Market Economy

*Debreu, G., Theory of Value, chapters 2, 7.  
*Mas-Colell, Whinston, and Green, chap. 19  
*Varian, chap. 19  

Appendix: * material (on economic equilibrium and welfare economics) not included in this course
Partial Equilibrium, Comparative Statics

*Mas-Colell, Whinston, and Green, section 10.C, Appendix M.E  
*Kreps, sections 8.1 - 8.3

A quasi-linear model: Consumer Surplus and Compensation Tests

*Mas-Colell, Whinston, and Green, chap. 10, Appendix M.E  
*Varian, chaps. 10, 13  
*Kreps, sections 8.1 - 8.3  
*Starrett, Foundations of Public Economics, chap. 14
Externalities
* Varian Ch. 24
* Mas-Colell, Whinston & Green Ch. 11

Public Goods
* Feldman, Welfare Economics and Social Choice Theory, Ch. 6
* Varian Ch. 23
* Mas-Colell, Whinston & Green Ch. 11

Social Welfare Functions and Social Choice Theory
* Mas-Colell, Whinston & Green 22A-C