

*The syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary.*

Course Objectives: You will learn to formulate and solve problems in the single-agent theories of the firm and the consumer, using the methods of comparative-statics analysis.

Course Prerequisites: ECON 8000 or equivalent and graduate standing in the Terry College of Business or permission of instructor.

Office Hours: 9:30 a.m. – 10:30 a.m., T, Th and by appointment; Brooks Hall 504

Class Hours: 11:00 a.m. – 12:15 p.m., T, Th; Visual Arts Bldg. 117

Grading: Problem Sets (5) – 20%  
Tests (2) – 40%; October 1, November 12  
Final Exam (1) – 40%; December 11, 12:00 noon – 3:00 p.m.

Textbooks: Binger & Hoffman, Microeconomics with Calculus (2<sup>nd</sup> ed.)  
Silberberg & Suen, The Structure of Economics (3<sup>rd</sup> ed.)

Reserve Books: Jehle & Reny, Advanced Microeconomic Theory (2<sup>nd</sup> ed.)  
Mas-Colell, Greene, and Whinston, Microeconomic Theory  
Cornes, Duality and Modern Economics

Background Reading: Landsberg, Price Theory & Applications (6<sup>th</sup> ed.)  
Perloff, Microeconomics (3<sup>rd</sup> ed.)

#### O. MATHEMATICS REVIEW

Binger & Hoffman, pp. 1-79; 86-91.

Silberberg & Suen, pp. 25-48; 96-116.

Jehle & Reny, pp. 459-512.

Mas-Colell, Greene, and Whinston, pp. 926-966.

Cornes, pp. 3-28.

**I. INTRODUCTION**

Binger & Hoffman, pp. 92-106.

Silberberg & Suen, pp. 1-14.

Lazear, "Economic Imperialism," Quarterly Journal of Economics, Vol. 115 (February 2000), pp. 99-146.

Stigler & Becker, "De Gustibus Non Est Disputandum," American Economic Review, Vol. 67 (March 1977), pp. 76-90.

Caplan, "Stigler-Becker versus Myers-Briggs: Why Preference-Based Explanations are Scientifically Meaningful and Empirically Important." Journal of Economic Behavior and Organization, Vol. 50 (2003), pp 391-405.

**II. THEORY OF PRODUCTION AND COST**

Binger & Hoffman, pp. 242-301.

Silberberg & Suen, pp. 56-63; 151-152; 156-169; 175-188; 225-251.

Cornes, pp. 104-109.

Jehle & Reny, pp. 117-130.

Mas-Colell, Greene, and Whinston, pp. 127-135.

**III. THEORY OF INPUT DEMAND**

Binger & Hoffman, pp. 315-324.

Silberberg & Suen, pp. 74-82; 84-91; 152-156.

Cornes, pp. 109-133.

Jehle & Reny, pp. 130-145.

Mas-Colell, Greene, and Whinston, pp. 135-147.

Hamermesh, Labor Demand. Princeton: Princeton University Press, 1993, pp. 17-60.

Griffin, "The Impact of Affirmative Action on Labor Demand: A Test of Some Implications of the Le Chatelier Principle," Review of Economics and Statistics, Vol. 74 (May 1992), pp. 251-260.

IV. THEORY OF CONSUMER BEHAVIOR

Binger & Hoffman, pp. 107-135; 136-159; 160-173; 174-199; 209-214.

Silberberg & Suen, pp. 252-297; 314-341.

Cornes, pp. 31-103; 200-202.

Jehle & Reny, pp. 3-92.

Mas-Colell, Greene, and Whinston, pp. 5-80.

Anderson, "Some Theory of Inverse Demand for Applied Demand Analysis,"  
European Economic Review, Vol. 14 (1980), pp. 281-290.

Deaton, "The Distance Function in Consumer Behavior with Applications to Index  
Numbers and Optimal Taxation," Review of Economic Studies, Vol. 46  
(1979), pp. 391-405.

Weymark, "Duality Results in Demand Theory," European Economic Review, Vol. 14  
(November 1980), pp. 377-395.

Suen & Mo, "Simple Analytics of Productive Consumption," Journal of Political  
Economy, Vol. 102 (April 1994), pp. 372-383.

Becker, "Irrational Behavior and Economic Theory," Journal of Political Economy,  
Vol. 70 (February 1962), pp. 1-13.

Battalio, et al., "A Test of Consumer Demand Theory Using Observations of  
Individual Purchases," Western Economic Journal, Vol. 11 (December 1973),  
pp. 411-428.

Varian, "Goodness-of-Fit in Optimizing Models," Journal of Econometrics, Vol. 46  
(October/November 1990), pp. 125-140.

V. THE ENDOWMENT MODEL

A. Introduction

Silberberg & Suen, pp. 302-305

B. Savings

Binger & Hoffman, pp. 482-491.

Silberberg & Suen, pp. 386-378.

Mas-Colell, Greene, and Whinston, pp. 732-759.

C. Labor Supply

Binger & Hoffman, pp. 455-465.

Silberberg & Suen, pp. 299-301.

Abbot & Ashenfelter, "Labor Supply, Commodity Demand, and the Allocation of Time," Review of Economic Studies, Vol. 43 (1976), pp. 389-411.

Barnett, "The Joint Allocation of Leisure and Goods Expenditure," Econometrica, Vol. 47 (1979), pp. 539-564.

Snow & Warren, "Tax Rates and Labor Supply in Fiscal Equilibrium," Economic Inquiry, Vol. 27 (July 1989), pp. 511-520.

Imbens, Rubin & Sacerdote, "Estimating the Effect of Unearned Income on Labor Earnings, Savings, and Consumption: Evidence from a Survey of Lottery Players." American Economic Review, Vol. 91 (September 2001), pp. 778-794.

Oettinger, "Do Piece Rates Influence Effort Choices? Evidence from Stadium Vendors," Economics Letters, Vol. 73 (October 2001), pp. 117-123.

Attendance: “Students are expected to attend classes regularly. A student who incurs an excessive number of absences may be withdrawn from a class at the discretion of the professor.” (<http://www.bulletin.uga.edu/bulletin/ind/attendance.html>). Attendance may be taken randomly throughout the semester. Unexcused absences on more than three of these occasions will be deemed “excessive” for the purpose of this policy.

Examinations: Students are expected to take the tests and final exam at the scheduled times listed above. No make-up tests will be administered. If you are absent from a test, the weight of that test will be added to the weight of the final exam in determining your course grade. An unexcused absence from the final exam will result in a score of zero on that exam. There are two valid excuses for an absence from the final exam: (1) the Office of the Vice-President for Academic Affairs verifies that you have another exam scheduled for the same time or you have three exams scheduled for the same calendar day, in which case you must petition in advance to take the exam at another time (<http://www.curriculumsystems.uga.edu>); (2) the Office of the Vice-President for Student Affairs verifies that you have a family emergency or personal illness, in which case you must arrange as soon as possible after the scheduled exam date to take the exam at another time.

Academic Honesty: As a University of Georgia student, you have agreed to abide by the University’s academic honesty policy, “A Culture of Honesty,” and the Student Honor Code. All academic work must meet the standards described in “A Culture of Honesty,” found at [www.uga.edu/honesty](http://www.uga.edu/honesty) . Lack of knowledge of the academic honesty policy is not a reasonable explanation for a violation. Questions related to course assignments and the academic honesty policy should be directed to the instructor.