Boston College  
Department of Economics  

EC 741 Microeconomic Theory II  

Spring 2009

Instructor Uzi Segal.

Phone x21567.

E-mail segalu@bc.edu

Lectures Tuesday and Thursday 1:00–3:00, 305 Carney Hall.

Office Hours Tuesday 3:00–4:00 if there is a lecture on this day, or by appointment.

Text Andreu Mas-Colell, Michael D. Whinston, and Jerry R. Green: Microeconomic Theory, OUP. In the past, students found Hal Varian: Microeconomic Theory useful.

Readings The text has a long (and good) lists of references. Occasionally, I will refer you to some of these articles.

Exams A midterm on . Its weight will be 45% of the course grade (that is, 90% of my share of it).

Homework There will be 5 problem sets. You have to solve and submit all of them electronically. You’ll get 2 points for each submitted set, provided you answered at least half of it. You have to submit each problem set one week after the day it was circulated. You have to submit at least 3 problem sets to be eligible to take the midterm exam.

Lecture Notes Every week, I will distribute a short summary of the previous week’s lectures. These notes are not supposed to substitute for the lectures. Rather, the idea is that you’ll have a handy summary of what we did. Also, I will provide you with solutions to the problem sets. Their aim is to help those of you who tried to solve a problem and want to check their solution (or to find out where they’ve gone wrong). Please let me know if you find any mistakes in the notes or the solutions.
Topics We’ll cover the following issues.

1. Arrow’s impossibility theorem.
2. Harsanyi’s utilitarian theorem.
3. Expected utility axioms and theorem.
4. Risk aversion.
5. Insurance.
7. Asymmetric information.
8. Risk and uncertainty; violations of expected utility theory.