

BOSTON COLLEGE
Department of Economics

EC 740

M. Kraus

Text: H.R. Varian, *Microeconomic Analysis*, 3rd edition, 1992.

In the following reading list, required readings are designated with two stars. Readings having a single star are recommended.

I. Consumer Theory

A. Basic Consumer Theory

**Varian, Chapter 7 and Chapter 8 through Section 8.4.

*E. Silberberg, *The Structure of Economics*, 2nd edition, 1990, Chapter 10.

E. Malinvaud, *Lectures on Microeconomic Theory*, 1985, Chapters 1-2.

B. Welfare Change Measures

**Varian, Chapter 10 through Section 10.5.

R.D. Willig, "Consumer's Surplus Without Apology," *American Economic Review*, 66 (1976), 589-597.

II. Producer Theory

**Varian, Chapters 1-5 except for Sections 2.5, 2.6 and 4.5.

*Silberberg, Chapter 4 beginning with Section 4.4, Chapter 6 through Section 6.2, and Chapters 8-9.

Malinvaud, Chapter 3.

III. Expected Utility Maximization

**Varian, Chapter 11 through Section 11.7.

J.W. Pratt, "Risk Aversion in the Small and in the Large," *Econometrica*, 32 (1964), 122-136.

M. Rothschild and J.E. Stiglitz, "Increasing Risk: I. A Definition," *Journal of Economic Theory*, 2 (1970), 225-243.

M. Rothschild and J.E. Stiglitz, "Increasing Risk: II. Its Economic Consequences," *Journal of Economic Theory*, 3 (1971), 66-84.