Richard Arnott   Spring 1998

BOSTON COLLEGE
Department of Economics
EC 741.01
Microeconomic Theory II

This course is divided into two unequal-sized modules. I shall teach the first module, constituting $\frac{1}{3}$ of the course, which will cover general equilibrium theory. Prof. Bai will teach the second module, constituting $\frac{2}{3}$ of the course, which will deal with game theory and the economics of information.

The grade in the course will be determined as $G = \frac{1}{3} G_A + \frac{2}{3} G_B$ using obvious notation. The grade in my module will be determined as follows:

Problem sets	20%
Mid-module exam	20%
Module final exam	60%

Prof. Bai will inform you of the grading scheme in his module.

In the general equilibrium module, there will be 10 lectures. The mid-module exam will be held in the second hour of class on Thursday, January 29. The module final exam will be held on Saturday, February 14, 10:00 a.m. - 12:30 p.m.

My office hours will be Wednesday and Friday 3:30 - 5:00 p.m. My office is Carney 231 and my telephone number is 2-3674.

The graduate assistant for the course is Maurizio Zanardi.

Arrangements for problems. I shall hand out a problem set every Tuesday. Please put your problem set answers in Maurizio's box by the following Monday noon (no late problem sets accepted). Maurizio will return the graded problem sets and review the problems in the problem session on the Thursday. Problem sessions will be held Thursday 3:30-5:00 p.m. in _____. The first problem session, which will be held this Thursday (January 15), will provide an introduction to MATHEMATICA rather than review a problem set. You are encouraged to work on problems with other students. But you must write up your answers by yourself. To do otherwise will be viewed as a form of academic dishonesty.

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EC 741
GE Module
Organization of Lectures

			Chapter
1.	January 13	Intro.	
		Some basic concepts	10.A-D
2.	January 15	Exchange economies	15.B
3.	January 20	One-consumer, one-producer economy	15.C
		2x2 production model	15.D
4.	January 22	First Theorem of Welfare Economics	16.B,C
		Second Theorem of Welfare Economics	16.D,E
5.	January 27	Equilibrium	17.B
		Existence of Walrasin equilibrium	17.C
6.	January 29	Generality of commodities/Non-convexity	16.G, 17.I
		Midterm	
7.	February 3	Uniqueness of equilibrium	17.D-F
		Stability of equilibrium	17.H
8.	February 5	General equilibrium under uncertainty	19.B,C
9.	February 10	Equilibrium and time	20.B-D
			20.H
10.	February 12	Applied general equilibrium theory	
		Theory of second best	