

Prof. James Peck	Abolfazl Setayesh
Office: 440 Arps	Office: Arps 389
Off. Tel. 614-292-0182 (email is preferred)	Tel. 614-620-5642
peck.33@osu.edu	Setayesh.1@osu.edu
<b>Office Hours:</b> Wednesdays at 2:00-3:00pm and Thursdays at 10:00-11:00am (or by appointment)	<b>Office Hours:</b> TBA

Course Website: <http://www.asc.ohio-state.edu/peck.33/Econ8712.htm>

### Syllabus--Microeconomic Theory 1B

**Required Text:**

Mas-Colell A., Whinston M. D., and Green J. R., 1995, *Microeconomic Theory*, Oxford.

**Optional Texts:**

Varian H., 1992, *Microeconomic Analysis*, New York and London, Norton, 3ed ed.

Kreps D., 2013, *Microeconomic Foundations I: Choice and Competitive Markets*,  
Princeton University Press.

**Course Description:** The course covers decision making under uncertainty, partial equilibrium theory, and general equilibrium theory. The GE portion includes existence and welfare theorems, production, and uncertainty. We will cover insurance and securities markets with uncertainty but symmetric information. We will introduce competitive markets with asymmetric information in the Rothschild-Stiglitz competitive screening model and the Akerlof lemons model.

**Course Learning Outcomes:** After finishing this course, you will know how to set up and solve optimization problems that involve uncertainty. You will have a solid understanding of general equilibrium theory, which underpins much of advanced economics. This will help you perform research that requires you to model perfectly competitive behavior and solve for a competitive equilibrium, and it will help you to read research in your fields that employ these models.

**Course Requirements:** There will be a midterm exam on Wednesday November 10 and a final exam on Monday December 13 at 10am. There will be 3 problem sets, which must be submitted to Carmen, on time. The problem sets and past qualifier exam questions will be discussed in the Friday recitations.

**Course Delivery:** The lectures are all planned to be delivered in person, in Kottman 104, although circumstances may require a few lectures to be held on Zoom, in which case the link will be posted on Carmen. Please check for announcements on Carmen before each class, and do not share the link with anyone. Office hours will be conducted on Zoom, with the link available on Carmen. Contact me if an in-person meeting is essential. For students who are unable to attend class due to illness or quarantine, you can view the recorded lectures from AU2020.

**Grading: Midterm 35%, Final 50%, and problem sets 15%.**

## Course technology

**For help with your password, university e-mail, Carmen, or any other technology issues, questions, or requests, contact the OSU IT Service Desk. Standard support hours are available at <https://ocio.osu.edu/help/hours>, and support for urgent issues is available 24x7.**

- **Self-Service and Chat support:** <http://ocio.osu.edu/selfservice>
- **Phone:** 614-688-HELP (4357)
- **Email:** [8help@osu.edu](mailto:8help@osu.edu)
- **TDD:** 614-688-8743
- **Carmen Zoom:** <https://resourcecenter.odee.osu.edu/carmenzoom>

## Baseline technical skills necessary for this course

- Basic computer and web-browsing skills
- Navigating Carmen

## Technology skills necessary for this specific course

- Carmen Zoom text, audio, and video chat
- Proficiency with Carmen Zoom

## Necessary equipment

- Computer: current Mac (OS X) or PC (Windows 7+) with high-speed internet connection
- Webcam: built-in or external webcam, fully installed
- Microphone: built-in laptop or tablet mic or external microphone

## Necessary software

- [Microsoft Office 365 ProPlus](#) All Ohio State students are now eligible for free Microsoft Office 365 ProPlus through Microsoft's Student Advantage program. Each student can install Office on five PCs or Macs, five tablets (Windows, iPad® and Android™) and five phones.
  - Students are able to access Word, Excel, PowerPoint, Outlook and other programs, depending on platform. Users will also receive 1 TB of OneDrive for Business storage.
  - Office 365 is installed within your BuckeyeMail account. Full instructions for downloading and installation can be found <https://ocio.osu.edu/kb04733>.

Lecture #/Date	Subject	Reading	Comments
1. Oct 18	Brief intro, preferences over lotteries, von Neumann-Morgenstern Axioms, expected utility thm., Allais paradox, Ellsberg paradox	M-6	
2. Oct 20	Risk aversion, Jensen's inequality, certainty equivalent, measures of risk aversion, an insurance problem, a portfolio problem, stochastic dominance, states of nature	M-6	
3. Oct 22	Recitation		
4. Oct 25	Partial Equilibrium	M-10	
5. Oct 27	General Equilibrium—pure exchange, Edgeworth Box	M-16	

<b>6. Oct 29</b>	Recitation		
<b>7. Nov 1</b>	Walras' Law, existence of equilibrium	M-16	
<b>8. Nov 3</b>	Existence continued, first welfare theorem	M-16	
<b>9. Nov 5</b>	Recitation		
<b>10. Nov 8</b>	Second Welfare Theorem	M-16	
<b>11. Nov 10</b>	<b>Midterm Exam</b>		
<b>12. Nov 12</b>	Recitation		
<b>13. Nov 15</b>	Characterizations when utility is differentiable and concave	M-16	
<b>14. Nov 17</b>	GE with Production	M-16	
<b>15. Nov 19</b>	Recitation		
<b>16. Nov 22</b>	GE with Uncertainty	M-19	
<b>17. Nov 24</b>	<b>Thanksgiving recess</b>		
<b>18. Nov 29</b>	GE with Uncertainty (contd)	M-19	
<b>19. Dec 1</b>	Insurance with asymmetric information: R-S competitive screening	M-13 Rothschild-Stiglitz (1976)	
<b>20. Dec 3</b>	Last Recitation		
<b>21. Dec 6</b>	R-S continued and Akerlof	M-13	
<b>22. Dec 8</b>	Review (time permitting)		
<b>23. Dec 13</b>	<b>Final Exam (in Kottman 104)</b>		10:00 – 11:45am

Optional: Arrow, K.J., "The Role of Securities in the Optimal Allocation of Risk-bearing," *Review of Economic Studies* 31 (1964), 91-96.

Optional: Rothschild, M. and J. Stiglitz, "Equilibrium in competitive insurance markets: An essay on The economics of imperfect information," *Quarterly Journal of Economics*, 80, 1976, 629-649.

## Assignment information

Problem sets will be posted on Carmen and submitted by uploading onto Carmen. Exams will be taken in the classroom.

## Faculty feedback and response time

Please email me with questions related to subjects covered in lectures. Email the GTA with questions about assignments or subjects covered in the recitation. Virtual office hours will be held weekly via Zoom. (Remember that you can call **614-688-HELP** at any time if you have a technical problem.)

## Attendance, participation, and discussions

### Student participation requirements

The following is a summary of everyone's expected participation:

- Attend all lectures and recitation sections
- Complete all assigned coursework

## Other course policies

### Student academic services

Student academic services offered on the OSU main campus

<http://advising.osu.edu/welcome.shtml>.

### Student support services

Student support services offered on the OSU main campus <http://ssc.osu.edu>.

### Academic integrity policy

#### Policies for this course

- **Midterms and exams:** You must complete the midterm and final exams yourself, without any help, communication, or copying.

- **Reusing past work:** In general, you are prohibited in university courses from turning in work from a past class to your current class, even if you modify it. If you have any questions, please discuss the situation with me.

## **Ohio State's academic integrity policy**

It is the responsibility of the Committee on Academic Misconduct to investigate or establish procedures for the investigation of all reported cases of student academic misconduct. The term “academic misconduct” includes all forms of student academic misconduct wherever committed; illustrated by, but not limited to, cases of plagiarism and dishonest practices in connection with examinations. Instructors shall report all instances of alleged academic misconduct to the committee (Faculty Rule 3335-5-487). For additional information, see the Code of Student Conduct <http://studentlife.osu.edu/csc/>.

## **Copyright disclaimer**

The materials used in connection with this course may be subject to copyright protection and are only for the use of students officially enrolled in the course for the educational purposes associated with the course. Copyright law must be considered before copying, retaining, or disseminating materials outside of the course.

## **Statement on title IX**

Title IX makes it clear that violence and harassment based on sex and gender are Civil Rights offenses subject to the same kinds of accountability and the same kinds of support applied to offenses against other protected categories (e.g., race). If you or someone you know has been sexually harassed or assaulted, you may find the appropriate resources at <http://titleix.osu.edu> or by contacting the Ohio State Title IX Coordinator, Mollie Peirano, at [titleix@osu.edu](mailto:titleix@osu.edu)

## **Accessibility accommodations for students with disabilities**

The University strives to make all learning experiences as accessible as possible. If you anticipate or experience academic barriers based on your disability (including mental health, chronic or temporary medical conditions), please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with Student Life Disability Services. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. SLDS contact information: [slds@osu.edu](mailto:slds@osu.edu); 614-292-3307; [slds.osu.edu](http://slds.osu.edu); 098 Baker Hall, 113 W. 12th Avenue.

### **Accessibility of course technology**

This course requires use of Carmen (Ohio State's learning management system) and other online communication and multimedia tools. If you need additional services to use these technologies, please request accommodations with your instructor.

- [Carmen \(Canvas\) accessibility](#)
- Streaming audio and video
- Synchronous course tools

## **Your mental health**

As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance or reduce a student's ability to participate in daily activities. The Ohio State University offers services to assist you with addressing these and other concerns you may be experiencing. If you or someone you know are suffering from any of the aforementioned conditions, you can learn more about the broad range of confidential mental health services available on campus via the Office of Student Life's Counseling and Consultation Service (CCS) by visiting [ccs.osu.edu](http://ccs.osu.edu) or calling 614- 292-5766. CCS is located on the 4th Floor of the Younkin Success Center and 10th Floor of Lincoln Tower. You can reach an on call counselor when CCS is closed at 614-292-5766 and 24 hour emergency help is also available through the 24/7 National Suicide Prevention Hotline at 1-800-273- TALK or at [suicidepreventionlifeline.org](http://suicidepreventionlifeline.org)