

**Louisiana State University**  
**Econ 7702**  
**Advanced Microeconomics 1**

Professor: Dr. Louis-Philippe Beland,  
Office: 2307 Business Education Complex  
E-mail: [lbeland@lsu.edu](mailto:lbeland@lsu.edu)  
Class: M-W: 3-4:20 pm, 1305 Business Education Complex (BEC)  
Office Hours: M-W: 2:00-3:00 pm, or by appointment

**Course Description**

This course is primarily concerned with consumer theory, production theory, and general equilibrium. Theories of utility, demand, cost, production, factor pricing, and welfare are developed using an advanced mathematical approach.

The objective of the course is threefold:

- (a) to acquire a working knowledge of modern microeconomic theory;
- (b) to develop the ability to model and formally analyze economic issues, and
- (c) to gain familiarity with theoretical tools often used in empirical work.

This is a lecture-based course. Most, but not all, of the lecture material is supported by the textbook. Exams and problems sets are based on the topics presented in the lectures.

**Textbook:** Microeconomic Analysis, Third Edition, by Hal R. Varian.

**Supplemental Texts:** Microeconomic Theory by Mas-Colell, Whinston, and Green and Advanced Microeconomic Theory by Jehle and Reny.

**Grading Policy:**

The grades will be based on problem sets, a midterm exam and a comprehensive final exam. The problem sets will provide 20% of the grade. The remaining 80% will be equally divided between the midterm and the final.

Grade Scale

85-100 A ( $\geq 95$  : A+ ;  $< 90$ : A-)

70-84 B ( $\geq 80$  : B+ ;  $< 75$ : B-)

55-69 C ( $\geq 65$  : C+ ;  $< 60$ : C-)

40-54 D

Below 40 F

**Problem Sets:**

There is a significant penalty for not handing in the homework. You may work together to solve the problems, but you must independently write your own submission.

**Exams -Tentative Schedule:**

October 3<sup>rd</sup> – Midterm

December 7-12 – Final Exam

Makeup exams will be provided for only very special circumstances. Makeup final exams will be consistent with university policy. In particular, if you cannot take the exam on the final exam date because of a flight conflict you will receive an F on that exam.

It is expected that the students have read the assigned material prior to class for the background necessary to properly participate in the discussion and think critically about the concepts addressed. As a general policy, for each hour you are in class, you (the student) should plan to spend at least two hours preparing for the next class. Since this course is for three credit hours, you should expect to spend at least six hours outside of class each week reading or writing assignments for the class.

**Other:**

1. In accordance with the LSU Commitment to Community, students have the responsibility to be attentive and active learners, as well as contribute positively to the learning environment. All students have the right to learn, as well as the responsibility to not infringe on another student's learning experience. In addition, students are expected to hold each other to the highest standards of academic, personal, and social integrity.
2. Academic Honesty is expected. All students are required to read and be familiar with the Code of Student Conduct found at [www.lsu.edu/judicialaffairs](http://www.lsu.edu/judicialaffairs) as well as other university policies and procedures.
3. Come to class on time. If you arrive late for an exam, you will *not* be given extra time.
4. No talking during an exam: communications should ONLY be with me and NO ONE ELSE. If you communicate with another student during the exam you will receive a zero on that exam—no exceptions. You may only talk with another student when you have handed in your exam and LEFT the class room.
5. There will be no extra credit.
6. Cell phones must be turned off or on silent. Tape recording of class lectures is not authorized.

**Course Outline (numbers indicate Chapters in Varian) & tentative schedule:****A. Firms**

- A.1 Technology (week 1)
- A.2 Profit Maximization (week 2)
- A.3 Profit Function (week 3)
- A.4 Cost Minimization (week 4)
- A.5 Cost Function (week 5)

**B. Consumers**

- B.7 Utility Maximization (week 6 & 7)
- B.8 Choice (week 8)
- B.9 Demand (week 9)
- B.10 Consumer Surplus (week 10)

**C. General Equilibrium**

- C.13 Competitive Markets (week 11 & 12)
- C.17 Exchange (week 13)
- C.18 Production (week 14)