



**Content of "Microeconomics"
(part of the Module "Microeconomics and Econometrics")
WS 2007/2008**

The following structure is based on the ninth edition (2005) of the textbook "Microeconomic Theory – Basic Principles and Extensions" by Walter Nicholson.

We will not work through the book completely. Chapter 1 on economic models is nice introductory reading which you may like to do by yourself. You may also want to use Chapter 2 on the mathematics of optimization as a background reference. We therefore directly start together in the course with Part II on Choice and Demand.

PART II: Choice and Demand ("Consumer Demand" or "the Household" are designations for the equivalent content in other books. The German equivalent is "Theorie des Haushalts")

- Chapter 3: Preference and Utility
- Chapter 4: Utility Maximization and Choice
- Chapter 5: Income and Substitution Effects
- Chapter 6: Demand Relationships among Goods

PART III: Production and Supply (equivalent to "the Firm" or "Theorie der Unternehmung" in other textbooks)

- Chapter 7: Production Functions
- Chapter 8: Cost Functions
- Chapter 9: Profit Maximization

PART IV: Competitive Markets

- Chapter 10: The Partial Equilibrium Competitive Model
- Chapter 12: General Equilibrium and Welfare

PART V: Models of Imperfect Competition

- Chapter 13: Models of Monopoly
- Chapter 14: Traditional Models of Imperfect Competition

When we will have finished these "fundamentals" we may treat an additional topic according to your choice: e.g. "political economics", "game theory models of pricing", "externalities" or "poverty".