

Faculty of Economic, Social and Political Sciences



ECGE1222 Microeconomics

[45h+15h exercises] 5 credits

Teacher(s): François Maniquet, Jacques-François Thisse
Language: French
Level: First cycle

Aims

The aim of this Microeconomics course is to help students, by examining a series of important topics, acquire an understanding of the instruments of micro-economic analysis so that they can use them in any of the applied courses later in their degree. It also aims to teach students to use these analytical tools to interpret concrete cases in Industrial Economics and public authority market regulation.

Main themes

The course adopts a traditional approach, first analysing consumer issues, then producer issues and leading finally to the analysis of general equilibrium, social well-being and external factors. Three types of reasoning are used: discursive, graphic, and mathematical. Particular emphasis is laid on the movement to formal reasoning and its use in interpreting results, and on using the theoretical tools on a wide range of exercises.

Content and teaching methods

The topics covered in the course are:

- individual and collective choice theory, including uncertain and intertemporal choice.
- production theory
- imperfect competition (particularly using the apparatus of Game Theory)
- the strategic approach in business

1. Theory of individual choice and revealed preference theory. Duality. Collective choice theory (Condorcet paradox and Arrow's impossibility theorem. Aggregation issues. Intertemporal choice (two periods) and uncertainty, with applications to insurance and portfolio choice.

2. Production theory and general equilibrium. Theorems of social well-being. Performance indexes and economies of scale within a multi-product framework.

3. Introduction to Game theory and imperfect competition models. Distinguishing the products and barriers to entry. Imperfect information (principal agent, unfavourable selection and moral risk).

4. Strategic approaches in business: product life cycle (Schumpeter), company structure (Chandler), industrial channels and policies. Case studies.

The course encompasses a broad field of which only the basics are covered during the 60 hours of teaching. The 30 hours of practical exercises are intended to be divided equally between carrying out exercises in the strict sense of the term and reading. This reading will give students more in-depth understanding of some of the theoretical and methodological issues, and will give concrete illustrations (case studies, empirical analyses).

Other information (prerequisite, evaluation (assessment methods), course materials recommended readings, ...)

Course entry requirements: Students should have taken the first year Economics and Mathematics course (BAC ECGE1)

Evaluation: Students will be evaluated on the basis of an end-of-year written or oral examination, a compulsory test in January (success in this test does not exempt students from the final examination) and summary reports on the reading in the practical sessions.

Course Materials : H. Varian, Microeconomic Analysis, Norton, 1992 (French translation : De Boeck)

Other credits in programs

ECGE12BA	Deuxième année de bachelier en sciences économiques et de gestion	(5 credits)	Mandatory
FSA12BA	Deuxième année de bachelier en sciences de l'ingénieur, orientation ingénieur civil	(5 credits)	
INGE12BA	Deuxième année de bachelier en ingénieur de gestion	(5 credits)	Mandatory
SINF12BA	Deuxième année d'études de bachelier en sciences informatiques	(5 credits)	Mandatory