

## Faculty of Economic, Social and Political Sciences



### ECON2115 Micro-economics

[60h+30h exercises] 12 credits

**Teacher(s):** Pierre Dehez, Jacques-François Thisse  
**Language:** French  
**Level:** Second cycle

#### Aims

The Micro-economics course aims, through the study of a series of key themes, to enable students to understand micro-economics analysis tools, so that they can then use these tools in various fields of application. It will also enable students to use these analytical tools to interpret concrete cases in the field of industrial economics and the regulation of markets by public authorities.

#### Main themes

The following themes will be addressed:

- the theory of individual and collective choices (also in uncertainty and within the inter-temporal frame-work);
- production theory;
- imperfect competition (particularly with game theory tools);
- the corporate strategic approach.

#### Content and teaching methods

1. The theory of individual choices and the theory of revealed preference. Duality. The theory of collective choices (Condorcet's Paradox and Arrow's Impossibility Theorem). The issue of aggregation. Inter-temporal choices (two periods) and uncertainty, applied to the field of insurance and portfolio choices.
2. The theory of production and general equilibrium. Theorems of social welfare. Cost functions and economies of scale in a multi-product framework.
3. Introduction to game theory and models of imperfect competition. Differentiation of products and barriers to entry. Imperfect information (principal agent, adverse selection and moral hazard).
4. The corporate strategic approach: life curve of products (Schumpeter), corporate structure (Chandler), industrial networks and policies. Case studies.

The course covers a broad area, of which only the basic are covered in the 60 hours of teaching. The 30 hours of practical work are designed to cover half of the exercises in the strict sense of the word, and half of the additional reading. This reading will provide an in-depth understanding of certain theoretical and methodological aspects, and will include illustrations (case studies and empirical analyses).

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

Course in Economics and Mathematics, and preparatory course (candidature) in Economic Sciences.

Written or oral examination. Compulsory test in January. Summarised reports on reading. The final evaluation will take account of all results obtained in the test, and of reports on additional reading.

H Varian, 'Microeconomic Analysis', Norton, 1992. (French translation published by de Boeck)

O Shy, 'Industrial Organization', MIT Press, 1995.

A list of additional reading will be provided at the beginning of the course.

**Programmes in which this activity is taught**

<b>ECON2M</b>	Maîtrise en sciences économiques
<b>ECON2M1</b>	Master en sciences économiques, orientation générale
<b>ECRU3DS</b>	Diplôme d'études spécialisées en économie rurale
<b>STAT3DA</b>	Diplôme d'études approfondies en statistique

**Other credits in programs**

<b>ECON21</b>	Première licence en sciences économiques	(12 credits)	Mandatory
<b>ECON2M1</b>	Master en sciences économiques, orientation générale	(12 credits)	Mandatory
<b>MATH21/E</b>	Première licence en sciences mathématiques (Economie mathématique)	(12 credits)	Mandatory
<b>STAT3DA</b>	Diplôme d'études approfondies en statistique	(12 credits)	
<b>STAT3DA/E</b>	diplôme d'études approfondies en statistique (statistique et économétrie)	(12 credits)	