Syllabus

Microeconomics: Competitive Equilibrium and Market Failures

Undergraduate – Semester 3

Time: Wednesday, 11:30 a.m.–1:30 p.m., Lecture Hall N, PMF Centre

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EPI: https://cours.univ-paris1.fr/course/view.php?id=50468

Lectures

The lecture course consists of 12 two-hour sessions. It is divided into two parts, each taught by one of the two instructors:

Part 1 – Partial Equilibrium Analysis (sessions 1 to 6) – Stéphane Gauthier

Part 2 – General Equilibrium under Perfect Competition (sessions 7 to 12) – Laurie Bréban

The course covers the following topics:

1. Aggregate demand, aggregate supply, partial equilibrium
2. Optimality of partial equilibrium
3. Tax incidence in partial equilibrium
4. Free entry and long-run equilibrium
5. Externalities
6. Public goods
7. General equilibrium under perfect competition in a pure exchange economy
8. General equilibrium, Pareto optimality and justice

Tutorials

The course is accompanied by 10 tutorial sessions of 1.5 hours each. Tutorials begin the week of September 28.

The tutorial handouts are available through the EPI.

Tutorial Handout 1, containing the problem sets for sessions 1 to 5, comprises 6 different topics. Several exercises are available for some topics, but only one will be solved in class. The choice of exercise is left to the discretion of the tutorial instructor. Most exercises are adapted from past final examination papers.

Tutorial Handout 2, containing the problem sets for sessions 6 to 10, comprises 3 sets of exercises, some of which are accompanied by extracts from texts.

Assessment

Continuous assessment is based on 3 grades:

1. a participation grade awarded in tutorials;
2. two written tests during tutorials, one in the middle and one at the end of the semester.

It may be subject to standardisation to account for possible differences between tutorial instructors. If standardisation is required, its rules will be explained to you in detail via the EPI.

The final grade is an unweighted average of the grade obtained for continuous assessment (possibly after standardisation) and the final examination grade.