Economics 811 - Fall, 2019

Arlington Campus: Arlington: Van Metre Hall 118  
Professor Walter E. Williams

Office Hours: Room 1002 Vernon Smith Hall  
Tu. 9:00 a.m.-11:00 a.m., 4:00 p.m.-6:30 p.m. and by appointment. Telephone: 703-993-1152

Course Outline

Prerequisites: This class is intended for students accepted into the Ph.D. program, or with the permission of the instructor. The student should have successfully completed the equivalent of at least one semester of intermediate microeconomic theory.

Procedures: Class meetings will provide a mixture of lecture and discussion. Reading assignments are to be read before class meetings. To gain a fuller understanding, some of the assignments must be read several times.

Evaluation: Two major examinations will be given: a midterm (35%) and final (50%). Several problem sets requiring the usage of elementary calculus will be assigned (15%). The approximate weights for computation of class grade are indicated in parenthesis.

Texts: The following are listed as required text:

Most other assigned readings (denoted by asterisk) have been placed on e-reserves. Additional readings may be periodically assigned.

Nota bene: Elementary calculus will be used in class and in work assignments. You should be enrolled concurrently in Mathematical Economics (Economics 630). Those requiring a review might consider purchasing Carl P. Simon & Lawrence Blume, Mathematics for Economists, (W. W. Norton & Company, 1994) Mastery of this level of mathematics is sufficient for this class.

I. Basic Economic Theory (Review)
*1. Alchian & Allen, Exchange and Production, chs. 1, 2.
*3. Vickrey, Microstatics, pp. 3-11.
6. Wiener, The Human Use of Human Beings, pp. 1-66. (This is perhaps the best popular book on cybernetics.)

Methodology


II. The Theory of Exchange and Demand

A. Exchange

*1. Alchian & Allen, Exchange and Production, ch. 3.

*2. Hirshleifer & Hirshleifer Price Theory & Applications, chs. 2, 14

*3 Vickrey, Microstatics, ch. 3.


B. Indifference Curves


*2. Vickrey, Microstatics, pp. 20-51.


*4. Hicks, John, Value and Capital, ch. 1.

*5. Buchanan, James, Cost and Choice, ch. 3.


C. Demand Theory

*1. Hirshleifer & Hirshleifer Price Theory & Applications, ch. 5.

*2. Alchian & Allen, Exchange and Production, chs. 4, 5.


Mid-Term Examination (Date to be announced)

III. Cost and Supply

A. Costs & Output
*2. Viner, "Cost Curves and Supply Curves," (Reprinted in AEA, readings).
*5. Buchanan, Cost and Choice, chs. 1, 3.
*6. Alchian & Allen, Exchange and Production, chs. 7, 8.

B. The Firm and the Market

IV. Competition and Monopoly
*2. Alchian and Allen, Exchange and Production, chs. 9, 10, 11.

V. Other Models of the Firm
A. Monopolistic Competition
2. Chamberlain, The Theory of Monopolistic Competition, chs. 3-5.

B. Oligopoly

C. Other

VI. Demand and Supply of Factors of Production
A. Labor

B. Capital
*1. Hirshleifer & Hirshleifer, Price Theory & Applications, ch. 15.
*4. Alchian and Allen, Exchange and Production, chs. 6, 16, 19.

VII. Miscellaneous
*1. Hirshleifer & Hirshleifer, Price Theory & Applications, chs. 15, 16.


Final Examination

Tuesday, December 17, 2019 7:30-10:15

NO EXCEPTIONS

SYMBOLS:

* = required reading

AER = American Economic Review

JPE = Journal of Political Economy

JLE = Journal of Law & Economics