

MOD. II – ECONOMIC PRINCIPLES

Course Title: **Microeconomics**

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Course Content:

This course provides an overview of core microeconomic theory, combining analytical foundations with economic intuition. The first part focuses on production theory, examining topics such as technology and production sets, short- and long-term profit maximisation, cost minimisation and cost functions, optimal input demand, and the derivation of firm and industry supply under perfect competition. The second part develops the theory of consumer behaviour, covering topics such as budget constraints, preferences, utility functions, consumer choice, demand theory, and measures of welfare such as consumer surplus. The third part analyses market structures, paying particular attention to perfect competition and monopoly. It highlights price formation, output determination, efficiency properties, and welfare implications. The course provides students with the analytical tools necessary for economic analysis and applied policy evaluation.

Duration: 21 hours

Exam: Written test, two questions with sub-questions (one question of the theory of production and profit maximization, one question on consumer theory and utility maximisation), maximum 15 points each plus a bonus question (max 2 points).

Suggested Reading:

Baseline treatment

Varian, H. R. (2010). *Intermediate microeconomics: A modern approach* (8th ed.). W. W. Norton & Company (Chapters as indicated in the course slides)

Advanced treatment

Varian, H. R. (1992). *Microeconomic analysis* (3rd ed.). W. W. Norton & Company. (Chapters as indicated in the course slides)

Additonal reading:

Mas-Colell, A., Whinston, M. D., & Green, J. R. (1995). *Microeconomic theory*. Oxford University Press.

Office hours: upon request of the student writing to **paolo.paesani@uniroma2.it**