

Syllabus

[cmcd.economia@fgv.br]

Course: General Equilibrium Theory (Microeconomic Theory II)

Professor:

2017 FIRST SEMESTER

PROGRAM

Introduction to competitive General Equilibrium Theory: Arrow—Debreu competitive equilibrium in a static environment, Welfare Theorems, dynamic models with rational expectations, Radner equilibrium, complete and incomplete markets financial markets, Non-Arbitrage and asset pricing.

BIBLIOGRAPHY

1. Jehle, G. A. and P. J. Reny, : “Advanced Microeconomic Theory” 3rd ed. Prentice Hall, 2001.
2. Mas-Colell, A., M. D. Whinston and J. R. Green: “Microeconomic Theory”. Oxford University Press, 1995.
3. Kreps, D.: “Microeconomic Foundations I”. Princeton University Press, 2013.
4. Magill, M. and M. Quinzii: “Theory of Incomplete Markets”. MIT Press, 1996.
5. Leroy, S. F. and Werner, J.: “Principles of Financial Economics”, Cambridge Univ. Press, 2001.

GRADING

Mid-term (40%) and final examination (60%).

DETAILED PROGRAM

- A. Static Model
 - a. Competitive Equilibrium: Definition and Necessary Conditions
 - b. Welfare Properties
 - c. Sufficient Conditions for Existence
 - d. Core equivalence and uniqueness
- B. Time and uncertainty
 - a. Perfect Foresight Equilibrium: Definition
 - b. Necessary Conditions: No Arbitrage
 - c. Complete Markets and Asset Pricing