

## Guidelines and instructions for *Microeconomic Theory – Individual and Social Choice* (7FIE19)

### Course registration

Please register for the course by filling out this form: [Registration for Microeconomic Theory \(7FIE19\)](#).

### Purpose

The purpose of this course is to make you well acquainted with microeconomic theories about individual and social choice.

### Objective

After completing the course, you are expected to master microeconomic theories of individual and social choice, have developed the ability to formalize microeconomic ideas into mathematical models, and be able to consume and critically reflect on scientific papers in microeconomics.

### Content

The course covers the following 5 topics: individual choice, revealed preference, choice under risk and uncertainty, dynamic choice and social (aggregate) choice.

### Target group

First-year PhD students in economics (or equivalent).

### Level and credits

PhD-level (third cycle), 7.5 ECTS (5 weeks of full-time studies).

### Teaching

Lectures, seminars, self-studies.

### Course literature

- Main reference: Mas-Colell, A., Whinston, M. D., and Green, J. R. (1995). *Microeconomic Theory*. Oxford University Press.

- Good concise reference that follows the structure of this course: Rubinstein, A. (2012). *Lecture Notes in Microeconomic Theory*. Princeton University Press.
- Excerpts from other references, which will be provided as handouts (HO).

## Professors

- Ali Ahmed, Linköping University, [ali.ahmed@liu.se](mailto:ali.ahmed@liu.se).
- Andrea Schneider, Jönköping University, [andrea.schneider@ju.se](mailto:andrea.schneider@ju.se).

## Lectures

Lectures will be given in the afternoons at 1.15 pm during the course period. The first and second lectures will be given by Ali and the third, fourth, and fifth lectures will be given by Andrea. During these lectures, you will also be provided with information related to the weekly examination: problem set and assignment (see below for details). Lectures will normally last for 3–4 hours. The first lecture will also include an overview of the course and a detailed explanation of all parts of the course and the examination.

## Schedule and structure of the course

Time	Module and topic	Chap.	Prof.	Room	Examination	Deadline
7/9 13:15	1. Individual choice	1 A–B, 2 A–E, & 3A–3G	AA	S10	A. Problem set 1. B. Assignment 1 (reflect).	14/9 12:00
14/9 13:15	2. Revealed preference	1 C–D, 2 F, 3 J, & HO	AA	S10	A. Problem set 2. B. Assignment 2 (discuss).	21/9 12:00
22/9 13:15	3. Choice under risk and uncertainty	6 A–D	AS	E326	A. Problem set 3. B. Assignment 3 (present).	29/9 12:00
29/9 13:15	4. Dynamic choice	20 B & HO	AS	S15	A. Problem set 4. B. Assignment 4 (model).	6/10 12:00
6/10 13:15	5. Aggregate (social) choice	21 A–D & 22 C	AS	S15	A. Problem set 5. B. Assignment 5 (review).	13/10 12:00

Note: AA – Ali Ahmed, AS – Andrea Schneider. Classrooms are located at Campus Valla at Linköping university, where A300 and A302 are in building A and T23 is in building C. Referred chapters are from Mas-Colell et al. (1995), HO – handouts.

## OneDrive folder for course materials and video submissions

There is a shared OneDrive folder for this course, “[Microeconomic Theory – Individual and Social Choice \(Spring 2024\)](#),” where handouts, articles, and other materials will be uploaded. The latest version of these guidelines and instructions will also be available in this folder, through which you can keep yourself updated.

You will also use this folder to upload some of the assignments that require you to submit a video recording.

## Examination

Each week, the examination will consist of two parts: A. a problem set and B. an assignment. Hence, to successfully complete this course, you need to complete, in total, 5 problem sets and 5 assignments. Please respect the deadlines. Failing to do so will result in additional work for you (see below under grading).

### A. Problem sets

1. Tba.
2. Tba.
3. Tba.
4. Tba.
5. Tba.

Submit your problem set, labeled as `firstname_surname_P#.pdf`, via email to the respective teacher.

### B. Assignments

1. *Reflect*. The first week's assignment involves writing a short essay consisting of a synopsis and a reflection on Drakopoulos (2022) article "[The conceptual resilience of the atomistic individual in mainstream economic rationality](#)" in *Review of Political Economy*. Your essay should be at least 900 and at most 1,100 words long. Submit your essay labeled as `firstname_surname_A1.pdf` to Ali via email.
2. *Discuss*. The second week's assignment involves participating in a seminar that you and your fellow students organize together in smaller groups. In this seminar, you are supposed to discuss the article by Tipoe, Adams, and Crawford (2022) "[Revealed preference analysis and bounded rationality](#)" in *Oxford Economic Papers*. The seminar should last for no less than 45 and no more than 60 minutes. Each seminar group is supposed to video-record their seminar (e.g., using Zoom or another solution) and upload it to the OneDrive folder for this course under the designated folder "Assignment 2." The video filename should be labeled `firstname1_surname1_firstname2_surname2_..._A2.mp4` (i.e., include all seminar participants' names and the video should be in mp4 file format).  
Some pointers:
  - a. A good discussion does not occur by itself. You need to be prepared by reading the article carefully and noting down your reflections.
  - b. For the record, start the seminar by letting everyone present themselves with their full name and briefly share their understanding and thoughts about the article.

- c. Give priority to questions, issues, and thoughts that you and your group want to raise and discuss.
  - d. Make sure everyone gets a chance to express themselves.
  - e. Example of questions to discuss: What point are the authors trying to make? Did they make their point successfully? Are there any weak arguments? Are there any further arguments that they could have provided? What case would an orthodox economist make against the authors' proposition in this article? Models of bounded rationality perform better empirically, but what are the drawbacks of these models?
3. *Present.* In the third week's assignment, each of you should do an oral presentation of a published article and present the central ideas and main results of it. You are to find an article yourself that interests you and broadly falls under the topic of module 3, i.e., the article should deal with choices under risk, uncertainty, or ambiguity. The only requirement is that the article is published in a peer-reviewed journal. The article can be theoretical, empirical, or both. Your presentation should be at least 10 and at most 15 minutes long. Use, e.g., PowerPoint or Zoom to video record your presentation and submit it by uploading it to the OneDrive folder of this course under the designated folder "Assignment 3." The video filename should be labeled `firstname_surname_A3.mp4` (i.e., include your name and the video should be in mp4 file format).
  4. *Model.* In the fourth week, your assignment is to make an attempt to sketch a dynamic model of choice. The purpose of this assignment is to give you a chance to play around with theory and modelling. Think of a dynamic decision-making situation that you would like to formalize. Alternatively, take an existing model and discuss interesting and possible tweaks and modifications of it. Use your creativity, allow yourself to be a bit silly, and don't overdo it. Document your central ideas in an essay that is at least 1,500 and at most 2,000 words long. Submit your essay labeled as `firstname_surname_A4.pdf` to Andrea via email.
  5. *Review.* In the last assignment, you are to find an article yourself that interests you and broadly falls under the topic of module 5, i.e., the article should broadly deal with aggregate, social choices, or collective choices. The article can be theoretical or empirical or both. You should then write a critical but balanced referee report that is at least 900 and at most 1,100 words long. Submit your referee report labeled as `firstname_surname_A5.pdf` to Andrea via email.

## Grading

You can pass or fail in this course. To pass, you need to successfully complete all problem sets and assignments. Note the following:

- We will not score your work; instead, we will make an overall judgment of whether you passed or failed a specific problem set or an assignment.
- If any of your problem sets or assignments don't meet our expectations, then you will get a chance to improve your work and resubmit it.
- If you fail to submit a problem set on time, then you are required to solve an additional problem within the same module/topic at difficulty level B or C in Mas-Colell et al. (1995). You can select a problem yourself.
- If you fail to submit an assignment on time, then again, you are required to solve an additional problem within the same module/topic at difficulty level B or C in Mas-Colell et al. (1995). You can select a problem yourself.
- Hence, each failed deadline will result in an additional problem.
- If you fail to actively participate in the seminar (Assignment 2) then you will have to submit a video recording of a 10–15 minutes long oral presentation where you discuss the article associated with Assignment 2. Use, e.g., PowerPoint or Zoom to video record your presentation and submit it by uploading it to the OneDrive folder of this course under the designated folder "Assignment 2." The video filename should be labeled `firstname_surname_A2.mp4` (i.e., include your name and the video should be in mp4 file format).

Ali Ahmed  
Andrea Schneider