

**Intermediate Microeconomics**  
**“Market Theory and Market Failures”**

Lecturer: Grigory Kosenok

Module 3

The main textbook is “Microeconomic Theory” by Andreu Mas-Colell, Michael Whinston and Jerry Green. There are 14 lectures and 7 seminars. Every week a problem set will be distributed. Best 5 problem sets will be counted for 20% of the final grade. The final written open book exam will give 80% of the final grade.

**Course Outline**

Week 1: General equilibrium theory: pure exchange economy (Ch. 15A and 15B).

Week 2: General equilibrium theory: “Robinson Crusoe” economy and 2x2 production model (Ch. 15C and 15D).

Week 3: General equilibrium: basic welfare properties (Ch. 16B,C,D,E).

Week 4: General equilibrium theory: existence theorem (Ch. 17B and 17C).

Week 5: General equilibrium under uncertainty (Ch. 19B,C,D,E).

Weeks 6 and 7: Market failures: externalities and public goods (Ch. 11B,C,D).