Instructor: Paul Glewwe  
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Lecture Hours: Mondays and Wednesdays, 11:45 – 1:00 p.m.  
Classroom: Magrath Library, Room 4  

Course Description:  
This is a seven-week course that covers microeconomic analysis of individual and household behavior, both theoretical and empirical issues. Most of the course is devoted to demand theory, starting with static models and then moving on to dynamic models. Other topics covered in the course are equivalence scales and intrahousehold allocation. Prerequisites are Econ 8001-8004 (or Econ 8101-8104) and Apec 8211-8212. Concurrent registration is OK.

The two required books for this course are:


Grading:  
Grades will be a weighted average of the scores on the homework (40%) and the final exam (60%).
LECTURE SCHEDULE
(* indicates an optional reading)

Weeks 1, 2, 3 and 4: Demand System Theory and Estimation: Static Models

Review of Preferences and Demand Theory (Lecture #1: September 3)

Deaton and Muellbauer.  Chapters 1 and 2.


Functional Forms: Stone-Geary, LE S, and AIDS (Lecture 2 and first half of Lecture 3: Sept. 8 & 10)

Deaton and Muellbauer.  Chapter 3


Extension of the Basic Model: Adding Labor Supply (second half of Lecture 3)

Deaton and Muellbauer. Chapter 4 (Section 1 only) and Chapter 11 (Section 1 only).

Separability and Aggregation Issues (Lectures 4 and 5: September 16 and 18)


Estimation Issues (Lecture 6: September 22)


_Equivalence Scales (Lecture 7: September 24)_

Deaton and Muellbauer. Chapter 8.

Deaton. 1997. *The Analysis of Household Surveys*. Chapter 4, section 4.3 (pp.241-269)


Weeks 5 and 6: Demand System Theory and Estimation: Dynamic Models

Theory of Intertemporal Consumption (Lectures 8, 9 and 10: September 29 and October 1 and 6)


**Econometric Estimates from Developed Countries (Lecture 11: October 8)**


Week 7: Intrahousehold Allocation

Intrahousehold Allocation (Lectures 12 and 13: October 13 and 15)


**Final Exam: October 20 (Last Day of Class)**