

TEMPLATE OF THE MAJOR EXAM CARD

Curriculum name	Economics and Finance with the specialization in Economics	
Major exam name	Microeconomics	
<i>Exam name in Polish</i>	<i>Mikroekonomia</i>	
Authors of the major exam card	1. prof. dr hab. Ewelina Nojszewska	
	2. dr hab. Małgorzata Knauff, prof. SGH	
Exam form	Written (120 min)	Max 50 points
	oral	Max 50 points
Thematic scope of the exam		
1.	Preferences and utility. Utility maximization, expenditure minimization and dual relations. Revealed preference.	
2.	Properties of the Marshallian (ordinary) demand and the Hicksian (compensated) demand. Slutsky equation. Law of demand. Market demand.	
3.	Lotteries and axioms of choice under uncertainty. Bernoulli utility and expected utility. Measures of risk aversion.	
4.	Technology: production sets and production functions. Returns to scale and elasticity of scale. Homotheticity and separability of the production function.	
5.	Factor markets. Cost minimization. Conditional factor demand. Cost curves and their properties. Long-run and short-run costs.	
6.	Profit maximization in the competitive market. Factor demand and output supply. Profit function. Industry supply.	
7.	Partial equilibrium: short-run and long-run. Compensating variation, equivalent variation, consumer's surplus, producer's surplus. Allocative inefficiency.	
8.	Profit maximization in imperfect competition. Markup on marginal cost (Lerner index). Static and dynamic monopoly pricing. Strategic interactions in oligopoly. Static and dynamic analysis of oligopoly. Emergence and stability of cartels. Imperfectly competitive markets.	
9.	General equilibrium in an exchange economy and in an economy with production. Core and Walrasian equilibrium allocations. Walras' law. Conditions for existence of general competitive equilibrium. First and Second Fundamental Theorem of Welfare Economics.	
10.	Externalities. Pigouvian tax. Coase theorem: defining property rights and trading in an externality. Public good, club good and common good. Samuelson efficiency condition.	
11.	Social choice. Arrow's impossibility theorem. Social welfare function. Gibbard-Satterthwaite theorem.	

12.	Contract theory. Moral hazard. Information asymmetry. Adverse selection. Signaling. Principal–agent problem.
Basic literature	
1.	A. Mas-Colell, M.D. Whinston, and J.R. Green (1995) <i>Microeconomic Theory</i> , Oxford University Press.
2.	G.A. Jehle and P.J. Reny (2011) <i>Advanced Microeconomic Theory</i> , 3rd ed., Prentice Hall.
3.	J. Tirole (1997) <i>The Theory of Industrial Organization</i> , MIT Press.
Supplementary literature	
1.	H.R. Varian (1992) <i>Microeconomic Analysis</i> , 3rd ed., W. W. Norton.
Name of the major subject related in terms of the curriculum with the major exam	
1.	Microeconomics