

On the Micro Exam

This note may help you prepare for the exam. Let me strongly emphasize that the exam may test everything you learned in the course. This note cannot be used to support complaints regarding the exam.

The exam is a four hour written test with no requisites, taking place on Friday June 20. Before the exam we have a meeting on June 17, at 13.15–15.00 in Bisp 214.

Structure: The test is built up as follows. There are four exercises, with equal weights. The first exercise asks for a rendition of some material from the book, including proof(s). The second exercise leads you through a variation on the book's material, with some simple proof(s). The two remaining exercises each set up a very concrete problem (with functional forms) and the sub-questions lead through an analysis of the given problem. These two exercises may refer to material from the book, or to the material on Computable General Equilibrium. This structure is roughly the one you may recognize in the four previous exam terms.

The exercises very often permit you to continue from the next sub-question, even if you get stuck somewhere. Continuing is a good idea, since the grades are given on the basis of what you write down.

Grading: Be aware of the following facts. The two grades 00 and 13 are only given in exceptional cases. However, 00 is awarded if you leave the exam without handing in anything. To attain the passing grade 6, half of the test must be correctly answered.

It is always a good idea to read a question before answering it. There is no need to copy the question in your answer. Even if you cannot complete a proof, it helps to provide the parts you can handle, or give an overview of the proof. Likewise, it helps to provide (insightful) explanations of how to attack a given problem, even if you cannot carry through this attack.

Required reading: There are two items of required reading for the exam:

- Chapters 1, 2, 3, 4, 5, 16 and 17 of Andreu Mas-Colell, Michael D. Whinston, and Jerry R. Green: "Microeconomic Theory," Oxford University Press, 1995. However, we leave out the sections 5.D, 16.G, 17.E, 17.G, 17.H and 17.I. Approximately 220 pages.
- Chapters 1–4 of Knud Jørgen Munk: "Computable general equilibrium models and their use for policy analysis," Copenhagen 2003. Approximately 35 pages.

Some text in the book is typed in a small font — the exam is not designed with the aim to test your knowledge of these parts, which tend to provide further perspectives on the text. Some used the same textbook in the second year Micro course, and are then required to also read chapters 11 and 14.