



## Methods of Microeconomics: A Simple Introduction

By K H Erickson

Createspace Independent Publishing Platform, United States, 2014. Paperback. Book Condition: New. 203 x 133 mm. Language: English . Brand New Book \*\*\*\*\* Print on Demand \*\*\*\*\*.Methods of Microeconomics: A Simple Introduction is an accessible guide to the mathematical methods of microeconomics. Worked examples are combined with exercises and solutions for readers, as economic relationships and equilibrium values are revealed and outcomes predicted. Consumer preferences and utility are examined with indifference curves, and differentiation to find marginal utility and the marginal rate of substitution. Consumer choice uses a Lagrange multiplier for optimization of utility functions subject to a budget constraint. Risk attitude and expected utility look at absolute and relative risk aversion measures, and apply risk averse, neutral or risk loving attitudes to find the expected utility linked with gambling or buying insurance. Production maximization optimizes production functions subject to cost constraints. Cost minimization optimizes cost functions subject to production constraints. Profit maximization with quadratic cost functions is performed for perfectly competitive or monopoly firms. Monopoly, monopolistically competitive, and oligopoly equilibrium values are calculated with optimization. The effects of asymmetric information are examined by comparing actual, equilibrium, and efficient outcomes for buyers and sellers.



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