

Department of Economics
University of Toronto
2009/2010

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Office hours: Wed 4:30pm-6:00pm

ECO 200Y1Y - MICROECONOMIC THEORY

Course web site (Fall Term): http://www.economics.utoronto.ca/serrano/teaching/eco200_fall09/eco200.html

TEXTBOOK: *Microeconomics* by David Besanko and Ronald R. Braeutigam (2nd or 3rd edition). Wiley.

LECTURES AND CLASSES: Section L0101

Lectures: Wed, 2:10 pm-4pm, Room LM 159
Tutorial: A (last name A-LIN): Fri, 12:10pm-1pm, Room LM 158
B (last name LIU-Z): Fri, 12:10pm-1pm, Room SS 1069

INSTRUCTORS: Fall Term: Prof. Carlos J. Serrano; Spring Term: Prof. Aloysius Siow.
Teaching assistant: TBA

DESCRIPTION OF THE COURSE: Theory of markets and prices. Determination of prices through the interaction of the basic economic units, the household as consumer and as supplier of inputs and the business firm as producer and as employer of inputs. The pricing system as the mechanism by which social decisions and allocation of goods are made in a market economy.

COURSE OUTLINE: This is an approximate outline of the chapters to be covered during the fall term. Some chapters may not be covered in their entirety. Furthermore, some material covered in the lectures might not be included in the book.

Date	Chapter	Topic
<i>Consumer theory</i>		
Week 1	3	Consumer preferences and utility
Week 2	4	Consumer choice
Week 3	4 and 5	Cont. consumer choice; and optimal choice and demand
Week 4	5	Optimal choice and demand
<i>Choice of labor and leisure; and intertemporal consumer choice</i>		
Week 5	5	Choice of labor and leisure
Week 6.1	5	Choice of labor and leisure; and intertemporal consumer choice
<i>Uncertainty and demand for insurance</i>		
Week 6.2	15	Uncertainty
Week 7	-	Demand for insurance
<i>Producer theory</i>		
Week 8	6	Inputs and production functions
Week 9	7	Costs and cost minimization
Week 10	8	Cost curves
<i>Competitive markets</i>		
Week 11	9	Perfectly competitive markets; and shutdown rule and supply curve
Week 12	2, 10	Competitive markets: applications

IMPORTANT DATES:

Oct 23	First term test. Tentative topics: Chapters 3 – 5 and material covered in lectures on consumer theory, choice of labor and leisure; and intertemporal consumer choice..
Dec 4	Second term test. Tentative topics: Chapters 2, 15, 6 – 10, and material from lectures on uncertainty and demand for insurance, producer theory, and competitive markets.

TUTORIALS: A teaching assistant will conduct tutorials for an hour every Friday. The tutorial will go over previous and forthcoming problems sets, questions from previous exams and general questions.

MARKING SCHEME AND EVALUATION: The final course mark will be based on the following:

- Two mid-term tests during the fall term. - For a total of 20% of the total course grade. Term tests in the fall term are 1 hour long. The term tests during the spring term will account for 20% of the total course grade. In total, all term tests during the academic year will count towards 40% of the final course grade.
- Graded problem sets will be available in the website of the course. In total, all problem sets during the academic year will count towards 10% of your final course grade. There will be three or four problem sets in each semester. Each week's problem sets have the same total value (independent of how many problems were assigned in a particular week). Problem sets due dates are posted on them. These due dates are firm. You will submit them in your assigned tutorial (i.e., group A or B). If you fail to submit a problem set for whatever reason, you will get a zero for that problem set. We will not count in your final course mark your worst problem set over the whole year.
- There will be several case studies during the fall term. You will be given an article to read at home that will be discussed in class. You will be evaluated of this material in the fall term tests or the final exam.
- Final examination – For a total of 50%. This exam will cover the entire course material. This exam is common to all the ECO200 sections. All instructors in ECO200 will submit questions to the exam. Students who miss the final exam must petition the Faculty of Arts and Science for permission to write a deferred examination in the summer.

REGRADEING OF TERM TESTS AND PROBLEM SETS: Requests for regrades will need to be in writing within *one week* of the term test or problem set being returned. You must submit them to your TA during tutorial. To ensure consistency, the entire test or problem set will be regraded, not just a single question. Your grade may go up or down.

SCHOLASTIC DISHONESTY: According to the Faculty of Arts and Sciences policy, any act of scholastic dishonesty entails a zero for the particular assignment and exam or the course. See the Faculty of Arts and Sciences policies for further details on scholastic dishonesty and related matters.

MISSING EXAM POLICY: If you miss one term test during the year, your term test grade will be based on the final exam of the course. You *do not* have to submit a medical note. However, you must take at least one term test in each semester. If after missing a test in a term you miss another one during the same term, you will earn a zero on it. You may consider re-taking the course when you are able to complete the required work.

E-MAIL POLICY: I will reply to email within 24 hours, except on weekends, with the following provisions:

- The question should require a one (or two) sentence response (maximum). If it takes more, office hours are the more appropriate venue
- I will never answer emails that request information that can be found on the website or the syllabus

- I will not reply to emails concerning grading. For such matters, office hours are more appropriate
- It is also (strongly) preferable that you use an utoronto email address: My spam filter is set to maximum. Moreover, university policy stipulates a preference for these email addresses.
- Always identify yourself, course and section in your email.
- Please do not send attachments of any kind.
- Please do not submit term work by email.

I should note, however, that I encourage you to provide course feedback and comments via email, if you wish. E-mail policy during the spring term might be different.

PREREQUISITE AND COURSE ENROLMENT POLICY:

ECO100Y1(67%)/ECO105Y1(80%); MAT133Y1/MAT135Y1/MAT137Y1

You must contact Robbie Innes at rinnes@chass.utoronto.ca for enrolment and prerequisite issues.

ECONOMICS STUDY CENTRE: The Centre provides a place where first- and second-year students can meet and study with peer mentors who are selected from the ranks of third- and fourth-year Economics and Commerce students who have taken the same courses, often with the same instructors, in a mutually beneficial peer mentoring program. Students who participate in the Centre have the opportunity to work one-on-one or to form study groups, as well as develop academic and personal skills. The Centre is also a place for students across all four years to meet. The Centre's peer study groups complement the more problem- and test-oriented course tutorials and aid centres that are staffed by graduate students.

The Centre will be open from 2:00-6:00 pm Monday – Friday. Exact times and location will be announced shortly at

<http://www.economics.utoronto.ca/index.php/index/undergraduate/load/studyCentre>