

Course Description

The Economics Department (STG) offers three intermediate-level microeconomics courses: [ECO 200](#) for Economics majors; [ECO 204](#) for students in the [Rotman Commerce](#) program (a joint program between [Rotman School of Management](#) and the [Faculty of Arts and Sciences](#)); and [ECO 206](#) for Economics Specialists and Commerce students. Given ECO 204's "Commerce" mandate, this course has two main goals: to provide Commerce students a solid foundation of rigorous microeconomic theory and mathematical methods (especially constrained optimization) and to foster Commerce students' business, economic, and analytical skills (mostly) through Harvard Business School case analysis, writing assignments, business reports, and Excel modeling.

This course covers the following topics at an intermediate level and (always) using mathematical models (i.e. we do not rely on graphical arguments and models): constrained optimization methods (especially the [Kuhn-Tucker](#) method); consumer theory; decision making under uncertainty; inter-temporal consumption and savings; financial portfolio analysis (CAPM); producer theory; cost analysis (including activity based costing and estimating cost functions from financial statements); analysis of competitive firms and markets (including building and using the actual supply curve of primary aluminum); analysis of firms and markets with market power; price discrimination (including two-part tariffs and pricing with arbitrage possibilities); economics of information; and game theory (including mixed strategies Nash equilibrium and Sub-Perfect Nash Equilibrium).

Course Staff, Office, Office Hours, Lecture & Tutorial Locations

<p>Instructor: Ajaz Hussain <i>Please contact course coordinator for all administrative matters.</i></p> <p>Office Hours : Wednesdays 3 - 5 pm in GE 213 E-mail : sayed.hussain@utoronto.ca</p>	<p>Course Coordinator: Adam Lavecchia <i>Please contact course coordinator for all administrative matters.</i></p> <p>Office Hours : Thursdays 10-noon in GE 213 E-mail: adam.lavecchia@utoronto.ca</p>
<p>Lectures You can attend <i>any</i> lecture Audio and video recordings prohibited</p> <p>Monday: 1 - 3 in MP 203</p> <p>Tuesday: 11 - 1 in NF 003 and 2 - 4 in UC 140</p> <p>Wednesday: 6 - 8 in RW 117</p>	<p>Tutorials You can attend <i>any</i> tutorial Audio and video recordings prohibited</p> <p>Friday: 11 - 1 and 2 - 4 in AH 100</p>
 <p>Map of Lectures and Tutorials Locations</p>	

E-mail Policy

For all "administrative" matters please contact the Course Coordinator through e-mail Economics204@gmail.com. Email is **not** an appropriate forum for discussing details which is why we have set aside office hours. That said, email can be helpful on occasion, and within limits and we will try to reply to email within 24 hours (except weekends) provided your question(s) can be answered with a one or two sentence answer. We won't answer questions about information on the ECO 204 website (for example: test dates) nor questions about grades. We strongly recommend using UToronto email address (University policy stipulates a preference for U of T email addresses). Always identify yourself in your email and please do not send attachments and do not submit term work by email.

Course Material

ECO 204 Lecture Slides [Required]

Posted in [course plan](#) section below by Sunday/Monday midnight

You are expected to print and bring lecture slides to class in order to take notes.

You can choose the number of slides per page to be printed by going to [Print → Print Properties](#)

Useful site for plots and calculations (equations, algebra, matrices, derivatives, integrals, etc.): [Wolfram Alpha](#)

ECO 204 HWs [Required]

Posted in [course plan](#) section below by Monday/Tuesday midnight

HWs are not graded.

Solutions will not be distributed but the TA will go over the HW solutions in the tutorial sections. You should re-read the lectures and then attempt the HWs *before* the tutorials. Resist the temptation to go to the tutorial and copy down solutions – this won't deepen your understanding of the material and is a sure way to do poorly in the course.

ECO 204 Textbook Chapters [Required]

Posted here and in [course plan](#) section below on a rolling basis

ECO 204 Excel Model [Required]

Posted in [course plan](#) section below and continuously updated (Please "enable macros" if prompted)

We *highly* recommend using Excel 2010 on Windows

Please add-in the Developer Tab and Data Analysis (VBA) and Solver tools ([instructions](#))

Having problems downloading the Excel Model?

Solution 1: Don't use Microsoft's Internet Explorer; instead try using another browser such as [Firefox](#).

Solution 2: Download the file and change the file extension from .zip to .xslm. For example if the file name reads model.zip click on the file name once, and change ".zip" to ".xslm".

Harvard Business School (HBS) Cases [Required]

The following cases can be purchased from [Harvard Business School Press](#). Go to <http://cb.hbsp.harvard.edu/cb/access/15391413> (this link expires on December 31st, 2012), register as a student, pay by credit card, and download the files onto your computer:

The Prestige Telephone Company (comes with Excel data supplement)

Container Transportation Company

The Aluminum Industry in 1994 § [Excel file with cost data for the 157 primary aluminum smelters in the case](#) (password: quasifixed)

Supplementary Material [Optional]

Note: Test and exam questions will *not* be drawn from supplementary materials

[Introduction to Economic Analysis](#) (free)

[Applied Theory of Price](#) (free)

[Martin Osborne's Math Tutorial](#)

[Economist Magazine Style Guide](#)

[The Elements of Style](#)

[The Case Study Handbook](#)

Course Evaluation

<p>Test 1 = 15% 6 - 8 pm, Friday, October 26th, 2012 in TBA Please see policies on missed tests below.</p>
<p>Test 2 = 15% 6 - 8 pm, Friday, January 25th, 2013 in TBA Please see policies on missed tests below</p>
<p>Test 3 = 15% 6 - 8 pm, Friday, March 15th, 2013 in TBA Please see policies on missed tests below</p>
<p>Paper 1 = 5% Posted Friday, November 2nd, 2012 Due by 11 pm on Sunday, November 25th at Assignment Tab in Blackboard and turnitin.com (Class ID: 5504396, pw: fw2042012). Detailed instructions below. Please read Turnitin disclaimer policy below.</p>
<p>Excel Project 1 = 5% Posted Friday, November 2nd, 2012 Due by 11 pm on Monday, December 3rd through Assignment Tab in Blackboard</p>
<p>Paper 2 and Excel Project 2 = 7.5% Posted Friday, December 7th, 2012.</p>

Due by 11 pm on Sunday, January 6th through Assignment Tab in Blackboard (paper and Excel project) **and** turnitin.com (paper only) (Turnitin Class ID: 5504396, pw: fw2042012).

Detailed instructions [below](#). Please read Turnitin disclaimer policy below.

Paper 3 and Excel Project 3 = 7.5%

Posted Friday, March 15th, 2013.

Due by 11 pm on Monday, April 1st (it's not an April fool's joke) through Assignment Tab in Blackboard (paper and Excel project) **and** turnitin.com (paper only). (Turnitin Class ID: 5504396, pw: fw2042012).

Detailed instructions [below](#). Please read Turnitin disclaimer policy below.

Final Exam = 40%

3 hours long at time and location [TBA by Faculty of Arts and Sciences](#)

Participation = 5%

Attend 3 WIT sessions and submit short writing assignment upon completion.

WIT session dates (during tutorial hours): (1) November 16th (2) January 11th (3) March 15th.
