

Eco 206Y1Y Section L0101: Microeconomic Theory, Summer 2014
Kripa Freitas, Department of Economics, The University of Toronto

COURSE DESCRIPTION

Microeconomic Theory is an economic methodology course. It aims to equip you with tools to answer microeconomic questions in a precise way. It will help develop your abstract thinking, analytic and communication skills. Problem solving will be an important part of the course

The main topics covered will be individual decision making (consumers and firms) and the results of their interaction in the market. We will also cover different market structures, distortion, asymmetric information and Game theory.

The broad learning objectives for this course are the following:

1. For students to learn how to use the basic tools of microeconomic analysis. They should be able to approach a problem, figure out which tool to use and use it correctly. It is important that they are able to identify the underlying assumptions and are aware of how they affect the results.
2. The other objective is for students to be able to evaluate economic arguments using the concepts covered in the course. They should be able to identify the reasoning and critically examine it. They should then be able to convey their analysis clearly and precisely to a general audience.

CLASS INFORMATION

Meeting Times: Tue, Wed, Thu, 10am – 12 noon

Location: MP 102

In general lectures will be held on Tue and Wed with tutorials on Thu (see course outline for exceptions).

Contact information

Prof. Kripa Freitas

Email: k.freitas@utoronto.ca

Office location: Max Gluskin House, Room 224

Phone: (416) 978-2268

Office hours:

Drop in: Wed 2-4pm, GE 224 no appointment needed.

By appointment: Please book at 15 minute slot using the following link:

<https://www.timetrade.com/book/2P41J>

TA Xin Zhao (skyxin.zhao@utoronto.ca)

Office hours: Thu 2.30-4.30pm, GE 213

Website: <http://www.portal.utoronto.ca>

All course material, announcements, problem sets, assignments etc. will be posted on Blackboard. You are responsible for checking it regularly. All communication will be sent to the class list on Blackboard.

Required Textbook: Microeconomics: An Intuitive Approach With Calculus – Thomas Nechyba, 2010, South Western Cengage Learning

Prerequisites

You will be dropped from the course if you do not have the required prerequisites: ECO100Y1(70%);MAT133Y1(63%)/(MAT123H1(63%),MAT124H1(63%))/MAT135H1(60%, MAT136H1(60%)) /MAT137Y1(55%) /MAT157Y1(55%) Exclusion: ECO200Y1, ECO204Y1. See: <http://www.economics.utoronto.ca/index.php/index/undergraduate/load/prerequisites>

EVALUATION

The grade for this class will be based on the following term tests. Please bring a non-programmable calculator and your T-card to all tests.

Term Test	Weight	Due Date	Time and Location
Midterm 1	17%	Tuesday, June 10, 2014	10am, TBA
Midterm 2	17%	Tuesday, July 15, 2014	10am, TBA
Midterm 3	17%	Tuesday, August 05, 2014	10am, TBA
Assignment 1	4%	Thursday, June 12, 2014	10:00 am, online
Assignment 2	5%	Thursday, July 17, 2014	10:00 am, online
Assignment 3	5%	Thursday, August 07, 2014	10:00 am, online
Final	35%	Final examination period, Location TBA	

Note: online means that it needs to be submitted on Blackboard AND Turnitin.com before the deadline.

Midterms and Final

In general midterms are not cumulative. Exact coverage will be posted before each midterm. However, course concepts build on previous material so you cannot completely ignore prior material. The final is **cumulative** and will cover all of the material from the course. The final exam is common across both sections.

Problem sets

The TA will post and cover ungraded problem sets during tutorial time. This is an important part of the course. The purpose is, through practice, to develop mastery of class tools and to guide you through applications. The midterm will ask you to apply course concepts to new contexts without step by step guidance.

Assignments

There will be **three individual writing assignments**. Very briefly for every assignment you will be given an article and will be asked to critically evaluate it. Further details will be provided on the course website.

These assignments help deepen your understanding of course materials. When you face more open ended contexts you have to figure out what are appropriate tools to use, think about the underlying assumptions and consider alternative explanations. You have to examine how economic arguments are formulated and analyzed using class tools. They also help develop your communication skills by making you to explain your reasoning in words and consider the intuition behind the math.

You will need to submit your assignments **online** in **two** ways for the assignment to be considered submitted - on **Blackboard** and on **Turnitin.com** by the due dates and time above. Check the Assignment Instructions on Blackboard for more details.

No extensions are granted for any reason (illness, computer problems etc.) There is a 10 percentage point (out of 100) penalty per 24 hours, per assignment for handing in late assignments. For example, if you hand in two assignments less than 24 hours after the due date, your total penalty for the assignments part will be $10+10=20\%$.

ACADEMIC INTEGRITY¹

Academic integrity is fundamental to learning and scholarship at the University of Toronto. You are expected to know the University of Toronto's *Code of Behavior on Academic Matters* (<http://www.governingcouncil.utoronto.ca/policies/behaveac.htm>). Cases of academic misconduct are taken very seriously and the consequences can be severe. All suspected cases of academic dishonesty will be reported to the Department of Economics and OSAI.

Plagiarism is a concern with writing assignments. Your writing assignments must be submitted to **Turnitin.com**. Being unaware of what constitutes plagiarism is not a defense. You can find details about what constitutes plagiarism and how to avoid it in class at <http://www.utoronto.ca/academicintegrity/>.

If you have any questions about what is or is not permitted in this course, please do not hesitate to contact me. If you have questions about appropriate research and citation methods, seek out additional information from me, or from other available campus resources like the U of T Writing Website (<http://www.writing.utoronto.ca/>).

The University disclaimer on Turnitin.com

"Normally, students will be required to submit their course essays to Turnitin.com for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their

¹ From the UofT Academic Integrity Statement and Checklist
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essays to be included as source documents in the Turnitin.com reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of the Turnitin.com service are described on the Turnitin.com web site".

GENERAL CLASS POLICIES

Re-Grades

Requests for re-grades will be accepted in writing up to two weeks after term work is returned. Attach a detailed note with your request that explains with reference to course materials as to why you think you deserve a different mark. The entire exam is re-checked so your mark could go up or down.

Email Policy

I will try to respond to emails within 48 hours, outside of weekends. Email is best for quick answers. For questions on course material it is best to see me in office hours so they can be answered adequately. If you do not get a reply please check Blackboard, the syllabus or see me or the TA during office hours. Questions on grading will only be answered during office hours.

MISSING A MIDTERM

Term tests are an important part of this class. The make-up can only substitute for one missed test. If you miss a second or a third midterm you will get a zero for that.

Missing a test does not automatically mean that the make-up test will count for your grade. You need to follow the procedure below.

- You need to [email me](#) BEFORE the exam to say that you will not be taking the exam. (There will be a 5% penalty per 24 hours for late emails)
- The email should be sent from your [official University of Toronto email](#) address (no gmail, hotmail etc.. email ids)
- The subject line should be "Eco 206 missed midterm"
- The body of the email should concisely explain your reasons for being unable to take the test. Not being able to perform well is not an excuse.
- This should then be followed by
 - A list of all your classes,
 - Term work due and whether or not completed the week of the midterm
 - Contact information for the professors. I may contact the other professors to verify details.
- The email should end with the following sentence "I understand that it is a punishable academic offence to present false or misleading information in support of my request for accommodation for missed term work"
- This sentence should be followed by your name and student number.

DOCUMENTATION: Within a week you need to submit original documentation to the economics reception desk at Max Gluskin House.

- A medical note, completed by a qualified medical doctor (e.g., not an acupuncturist, chiropractor, or other health care professional) with their OHIP number. Use the official [Verification of Student Illness or Injury form](#)
- Any other *unexpected* other reason (like funerals etc..) needs documentation (like a funeral program/obituary, air tickets etc..). In addition I will need a note from a responsible adult which also has their contact information so I can verify the details.

MAKE-UP: When you email me you will get a short response with the information for the cumulative make-up test. The final decision to accept any reason lies with me or the undergraduate chair. Please note that you may get your grades for the make-up *after* the drop deadline. The format may be different from the class midterm. Consistent with university policy, there is no “make-up” for the make-up test. No medical excuses will be accepted, and grade of zero will be applied if a student fails to write the make-up test.

COURSE OUTLINE

All the material we cover in class, problem sets, and that is in the textbook chapters covered is considered testable material. Appendices are included unless explicitly excluded.

The course outline below is subject to change depending on the pace we move at during class.

Lecture	Day	Date	Chapters	Material
1	Tue	13-May	1 and 2	Introduction; Constraints
2	Wed	14-May	4 and 5	Preferences and utility
3	Tue	20-May	6	Choice
4	Wed	21-May	7 and 8A1,B1	Income and Substitution effects
5	Tue	27-May	3A1,B1; 8A2,B2;9A2,B2	Labor supply
6	Wed	28-May	9A1,B1; 18A1,B1	Demand and Elasticities
7	Tue	3-Jun	10	Consumer Surplus
8	Wed	4-Jun	17 (exclude 17.3)	Risk
	Tue	10-Jun		Midterm 1
9	Wed	11-Jun	17 (exclude 17.3)	Risk
10	Thu	12-Jun	11 and 12	Production, cost minimization and profit maximization Assignment 1 due
11	Tue	17-Jun	11 and 12	Production, cost minimization and profit maximization
12	Wed	18-Jun	13	Short and long run decisions
13	Wed	2-Jul	14 and 15	Competitive market equilibrium and the FWT
14	Tue	8-Jul	16	General Equilibrium

15	Wed	9-Jul	23	Monopoly
	Tue	15-Jul		Midterm 2
16	Wed	16-Jul	23	Price Discrimination
17	Thu	17-Jul	24	Strategic Thinking and Game Theory Assignment 2 due
18	Tue	22-Jul	25	Oligopoly
19	Wed	23-Jul	25	Oligopoly
20	Tue	29-Jul	19	Distortion (1)
21	Wed	30-Jul	20	Distortion (2)
	Tue	5-Aug		Midterm 3
22	Wed	6-Aug	21	Externalities
23	Thu	7-Aug	22	Asymmetric Information Assignment 3 due
24	Tue	12-Aug	27	Public Goods