ECO206 Microeconomic Theory, Second Half

Summer 2016

1 Course Description

The second half of the course extends the consumer and producer theory in the first half to allow market imperfections and strategic behaviors.

2 Readings

The required text is Jeffrey M. Perloff, Microeconomics: Theory and Applications with Calculus.

Date	Topic	Readings
28-Jun	General Equilibrium	$10.1, 10.2, 10.3$
29-Jun	Monopoly	$11.1, 11.2, 11.3, 11.4, 11.5$
5-Jul	Price Discrimination	$12.1, 12.2, 12.3$
6-Jul	Strategic Form Games	13.1
12-Jul	Cournot and Bertrand Duopoly	$14.1, 14.3, 14.4, 14.6$
13-Jul	Extensive Form Games	13.2
19-Jul	Stackelberg Duopoly and Cartel	$14.2, 14.5$
20-Jul	Externalities	$17.1, 17.2, 17.3, 17.4, 17.5, 17.6$
26-Jul	MIDTERM 3: Covers 28-Jun to 20-Jul	
27-Jul	Uncertainty	$16.1, 16.2, 16.3$
28-Jul	Adverse Selection	$18.1, 18.2, 18.3$
2-Aug	Price Discrimination	$12.4, 12.5$
3-Aug	Moral Hazard	$19.1, 19.2, 19.4, 19.5$

Problem sets, past exams, sample exams will be posted on the website:

http://individual.utoronto.ca/youngwu/ECO206.htm

Optional supplementary textbooks:

- R. Preston McAfee: Introduction to Economic Analysis, Chapters 6 and 7 (available for free on his website)

- Martin J. Osborne: An introduction to game theory, Chapters $2, 3, 5, 6$, and 7 (required textbook for ECO316 and ECO326)

All materials relevant to the problem sets and exams from these textbooks will be contained in the lecture slides. Download or purchase these textbooks only if you are interested in additional details and examples for specific topics.

3   Grade

Item	Weight (percent)	Due
Midterm 3	15 (if lowest midterm) or 20	26-Jul
Writing Assignment 2	5	5-Jul
Writing Assignment 3	5	19-Jul
Problem Sets	2	Every Tuesday midnight
Participation	1.5	Every lecture
Final	25	9-Aug to 15-Aug

- TopHat is used for Participation and the grade for each lecture is worth 0.15 (two of the lowest grades will be dropped).

- MyEconLab is used for Problem Sets and the grade for each problem set is worth 0.2 (two of the lowest grades will be dropped).

4   Midterm 3

- The time and location is July $26, 10 : 10 - 11 : 40$ in EX100.

- N pieces of cheat sheets will be allowed, where N is a non-negative integer that will be decided through voting during the lecture in the first week of July. If $N > 0$, the cheat sheets can be handwritten, printed, or photocopied but should be no larger than the size of the exam.

- Non-programmable calculators are allowed but will not be useful for the midterm.

5 Programming

- Each problem set on MyEconLab contains one problem that is very difficult or impossible to solve by hand and requires the use of computers to solve.

- You will not be asked to read or write any computer code during the midterm and the final exam.

- Code will be provided in Python, R, VBA, and you will be asked to write or modify at most 10 lines of these code to solve each problem, and instructions to do so will be given during the lectures.

- Students with no prior programming experience will not be at a disadvantage: computers will only be used like calculators to perform large amount of repetitive computations, and no implementation and algorithmic issues will need to be dealt with for the problem sets and the exams.

- Python, R and Microsoft Excel can be obtained free of charge.

6 Regrade Requests

Regrade requests for midterm 3, participation, and problem sets are accepted only if it contains:

- Name and student ID;

- List of the questions that are graded improperly;

- Reasons these questions are graded improperly.

7 Make-up Midterm

Documentations for missing midterm 3 are accepted only if it is submitted in person or by email within 24 hours of the midterm and it must contain:

- Name and student ID;

- Reasons for missing the midterm, including medical or other personal emergencies that is difficult or impossible to reschedule.

The make-up midterm 3 will be held in the week of August 1 to 5, time and location to be decided after the midterm.

8   Drop Dates

- Drop: July 17

- Credit-NoCredit: July 17

- Late WithDraw: August 8

9   Contact

From June 27 to August 8:

- Lectures and Tutorials: Tuesdays, Wednesdays, Thursdays $10:00-12:00$ in MP 203

- Office Hours: Mondays $2:00-4:00$ in BA 1230 and Fridays $2:00-4:00$ in BA 2139

10   Email Policy:

- Email: yiyang.wu@mail.utoronto.ca

- All questions related to course material should be asked on Piazza. Questions sent through emails will be copied to Piazza and answered there.

- Regrade requests and documentations for missing midterms can be submitted through email.