
Eco 206Y1Y L101, L201, L501: Microeconomic Theory, Fall 2016 - Winter 2017

Prof. Freitas, Department of Economics, University of Toronto

Course Description Microeconomics studies an individual's decision-making behavior and the patterns that result when they interact in a market. In this course, we will flesh out what you learned in Eco 100 by getting into details and building a deeper, nuanced understanding of economic concepts. You will learn the basic tools of the field and when and how to apply them. We will use *math* to get precise and as a way to discipline our logic and we will use *writing* about economics as a way to learn it. Our goal is to equip you with the tools and methods of economic reasoning to be successful in the upper-level courses and beyond. Critical thinking, application and communication skills are emphasized. We hope you will *actively participate and engage* with the material as it is the best way to learn economics and it makes it a lot more fun.

Learning Objectives By the end of this class successful students should be able to

- Explain the basic concepts of Microeconomics using math, graphs and clear English.
- Use the math tools with a high degree of proficiency.
- Conduct well-structured, logically consistent economic analysis and communicate their reasoning precisely in clear English.
- Problem solve using course concepts – i.e. when given a problem they have not seen before they should be able to setup a solution strategy, choose the appropriate tool, use it correctly and solve for the correct answer.
- Apply course concepts to a given real world situation– i.e. identify essential features, choose an appropriate framework, check if required assumptions hold and conduct analysis.
- Critically evaluate economic arguments – i.e. identify main arguments, identify and articulate how and why they depend on the assumptions made and explain how they would change when the assumptions are changed.

COURSE INFORMATION

Meeting information	Section	Lecture day, time (location)	Tutorial day, time (location)	TopHat Join Code
	L101	Wed, 2-4 pm (RW 117)	Thu, 6-8pm (MP 203)	036318
	L201	Thu, 10-12 noon (RW 117)	Thu, 6-8pm (MP 203)	779797
	L501	Wed, 6-8 pm (MP 203)	Thu, 6-8pm (MP 203)	344136

Contact Information **Prof. Freitas:** Office – GE 224, k.freitas@utoronto.ca, 416-978-2268
TAs: Rami Abou-Seido rami.abou.seido@mail.utoronto.ca and Gabriel Brown gabe.brown@mail.utoronto.ca

Office Hours **Prof. Freitas:** Mon 9.30-11.30am and Thu 1-3pm (**location GE 213**)
TA: Rami - Wed 2.30-5.30pm (GE 313)
Additional help: [Economics Study Center \(GE 110\)](#): Mon – Thu 11-7pm, Fri 11-3pm

Links **Course website:** <http://freitas.faculty.economics.utoronto.ca/eco206-2/> and [Portal](#)
MyEconLab: <http://www.pearsonmylabandmastering.com/northamerica/myeconlab/>
Piazza: <https://piazza.com/utoronto.ca/fall2016/eco206/home>
Tophat: <http://tophat.com> Use the Join code for your section.

Required Text *Microeconomics: Theory and Applications with Calculus, 4th Ed.* by Jeffrey M. Perloff. (1 copy on course reserves, Robarts)¹.

¹ The differences between the 3rd and 4th ed. are summarized [here](#). You can use the 3rd edition, however, when I post question numbers for the problem sets or refer to text material in the class I will use the 4th ed.

Required Graded Homework

A paid access card is required. Getting comfortable with the math in this class requires regular practice. We will be using [MyEconLab](#) for online weekly homeworks. Registration instructions are on Portal. A standalone access code (without the e-text) can be purchased for \$41.25. You could alternatively purchase the access code bundled in with the physical textbook (\$175) or with the e-textbook (\$120). These are specially negotiated prices available only from the UofT bookstore.

Required In-class Participation tool

A paid subscription is required. You are expected to actively participate in lectures by problem-solving and contributing to class discussions. We will use [Top Hat](#) to make the process efficient and to encourage broader participation. You will be able to submit answers to in-class questions using Apple or Android smartphones and tablets, laptops, or via text message (SMS). Registration instructions are on Portal. The price for a year-long subscription is \$36 for unlimited access. **You must sign up and attend the section you are officially registered in to get credit for class participation.**

Lectures and Tutorials

Lecture handouts will be posted on Portal. They are **not lecture notes**. By design, to improve your learning², they will be concise and you will need to supplement them with your own notes during lecture. They are not a substitute for attending lectures and will not be effective study aids without your added notes. Hour-long tutorials will be held on Thursday evenings, except for when we have tests. You are free to attend any tutorial, space permitting. Tests will require the entire 2-hour block. You are expected to be available during this time as it is official class time. Occasionally we may use the extra hour as additional lecture/tutorial time.

Communication - Email, Website and Portal

I will use the **website** (<http://freitas.faculty.economics.utoronto.ca/eco206-2/>) to communicate general information and announcements. All course material, past exams, problem sets, assignments etc. will be on Portal. You are responsible for checking both the website and Portal regularly. We will be using **Piazza** for class discussion. Please post questions on course material there. Posting your questions and answers on the forums is an efficient way to get help and build a 206 community. All **email** communication will be sent to the class list on Portal. If your email can be answered briefly, I will try to respond to within 3 business days. If you do not get a reply please check Portal, the website, Piazza, the syllabus or see me.

Prerequisites

You will be dropped from the course if you do not have the required prerequisites. I will expect you to be comfortable with the calculus in the prerequisite courses.

http://www.artsandscience.utoronto.ca/ofr/calendar/crs_eco.htm#ECO206Y1
<http://www.economics.utoronto.ca/index.php/index/undergraduate/load/prerequisites>

EVALUATION

Important Dates

The grade for this class will be based on the term work below.

Test	Weight	Date	Time	Location
Midterm 1	16%*	10-Nov	6:10 PM, 90 mins	TBA
Writing Assignment 1	6%	24-Nov	10:00 AM	Online**
Midterm 2	16%*	19-Jan	6:10 PM, 90 mins	TBA
Writing Assignment 2	7%	2-Feb	10:00 AM	Online**
Writing Assignment 3	7%	9-Mar	10:00 AM	Online**
Midterm 3	16%*	16-Mar	6:10 PM, 90 mins	TBA
Homeworks	8%	On problem set		Online- MyEconLab***
In-class participation	5%	During Lecture ****		Online- TopHat ***
Final	25%	Final exam period		Determined by A&S

****** You must participate in the section you are officially registered in to get credit**

* The total weight on the midterms will be 42% . Lowest score weighted 10%, others 16% each

** To be submitted on Portal and Turnitin by deadline to count as submitted

*** Paid registration required. Please see Portal for details

² Stefanou, C., Hoffman, L., & Vleee, N. (2008). Note-taking in the college classroom as evidence of generative learning. *Learning Environments Research*, 11(1), 1-17.

- Tests** Exact coverage will be posted before each test. In general, midterms are not cumulative, but course concepts build on prior material so you cannot completely ignore it. The final is **cumulative** and will cover all of the material from the course.
- Assignments** The Economics department has implemented writing widely. The reasons for this are (1) to get and be successful in a job you will need to know how to communicate economic reasoning well. It is a [valuable workplace skill](#). (2) Writing about economics helps you learn economics in a way that complements problem-solving³. There will be **three individual writing assignments**. Further details will be provided on Portal. You will need to submit them in **two** ways to avoid the late penalty- on **Portal** and on **Turnitin.com** by the due dates. Check the Assignment Instructions on Portal for more details. **No extensions** are granted for any reason (illness, computer problems etc.) There is a 10% points (out of 100) penalty per 24 hours, per assignment late submissions.
- MyEconLab Homeworks** Due dates and times on the problem set and cannot be completed once the due date has passed. **No extensions** are granted for any reason (illness, computer problems etc.). Your lowest 2 homework scores will be dropped to account for this.
- TopHat Class participation** In-class participation will be coarsely graded as the purpose is active participation. Questions will need to be answered during lecture using Apple or Android smartphones and tablets, laptops, or via text message (SMS). **No exceptions** are granted for any reason (illness, etc.). Your lowest 2 scores will be dropped to account for this. The first week does not count for a grade. In addition, lecture 24 will serve as a make-up scores just for lecture 2 to accommodate students who register late.
- Regrade Requests** Requests for re-grades will be accepted in writing up to two weeks after term work is returned. Fill in the regrade request form available on Portal. We will re-read your entire exam so your mark could go up, down or remain unchanged.

HOW TO SUCCEED IN THIS COURSE

- **Put in the time, consistently:** Plan to spend 8-10 hours a week on this course⁴. Last minute cramming leads to superficial understanding which gets exposed in the tests. Regular practice over a longer time period leads to deeper learning that lasts beyond the final exam.
- **Use the time effectively:** Form a study group (use Piazza to find members). As you solve problems, focus on the concepts not the procedure. Ask why do we get this? What if some elements were different? What are the similarities/differences with what you've seen before? Write out your reasoning, etc. Get help early – office hours, study center, Piazza.
- **Know what we are looking for on the exams:** Problem solving is an important learning outcome and an essential job skill. It is what you do when you use your conceptual knowledge to answer a question you *haven't seen* before. The emphasis is *on how you approach the question and the quality of your reasoning*. Memorization and matching patterns will not help you.
- **Take ownership of your learning:** Remember you are taking this course to make you a better economist. Make your effort count. **Read the material before class and come to lecture ready to actively participate and problem solve.** The analogy I like to use is that this class gives you a big box of new blocks. You need to use them to build something in response to a problem. Listening to me talk/reading the text is the equivalent of watching a demo/reading the instruction manual – helpful but not enough to build skills to respond to new situations. You need to know what blocks you have and all the ways they can fit together. This requires you to experiment on your own. Try different combinations, make mistakes and most important - practise, practise, practise! Sometimes it may be a little tedious, but, when you actively engage with the material, you will become a good economist and have fun along the way. I look forward to learning with you this year!

³ Crowe, D., & Youga, J. (1986). Using writing as a tool for learning economics. *The Journal of Economic Education*, 17(3), 218-222.

⁴ A full time student should spend 40-50 hours a week on coursework. With 5 courses this works out to 8-10 hours a course.

COURSE POLICIES

- Missed Midterm** To have a makeup count for a missed test you must follow ALL the steps below. If this is an issue that lasts for more than a few days contact your College Registrar immediately. Make-up tests are **cumulative** and will be scheduled at a date and time chosen by the professor with as little as one business days' notice by email. The make-up can be used to substitute for *one* missed test.
Step 1: Send me email that follows the format below:
1. It is sent BEFORE the midterm from your official UofT email address (no gmail etc. email ids).
3. The subject line should be "Eco 206: Fall 2016 Missed Midterm".
4. It explains concisely (less than 100 words) why you are not able to take the exam.
5. It explains what you have done to prepare for the Eco 206 midterm or says that you have not done anything.
6. The email should end with the following sentence exactly as written "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"
7. This sentence should be followed by your FULL NAME and STUDENT NUMBER.
Step 2 (Documentation): Within a week, for short-term illnesses, drop off an original, completed, official UofT [Verification of Student Illness or Injury form](#) at the economics reception in GE. For longer term illnesses or non-medical issues, you must meet with your college registrar and provide them with the appropriate documentation. If they are satisfied, ask them to contact me to ask for special consideration on your behalf.
Step 3: You will get an email within 3 business days of the missed exam with the details of the make-up test.
Step 4: Take the make-up test. As per university policy, there is no "make-up" for the make-up test. You will get zero if you miss the make-up exam.
NOTE: The final decision to accept any excuse lies with me or the undergraduate chair. You may get your grades for the make-up *after* the drop deadline. The format may be different from the class test.
- Academic Integrity** Academic Integrity is taken very seriously. You are expected to know the University of Toronto's [Code of Behavior on Academic Matters](#). Please see: <http://www.artsci.utoronto.ca/osai> for more details. All suspected cases of academic dishonesty will be reported to the Department of Economics and OSAI and the consequences can be severe. Being unaware of the policies or what constitutes plagiarism is not a defense.
- Use of Turnitin** Your writing assignments must be submitted to [Turnitin.com](#). The University policy is:
"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 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".
- Resources** If you need accessibility services/accommodation please see: <http://www.accessibility.utoronto.ca/>. Resources to help you at the UofT are listed at: <http://life.utoronto.ca/get-smarter/academic-support/>. For course-related issues, please get in touch with me and your College Registrar. For longer run issues or issues outside our course please contact your College Registrar - <http://life.utoronto.ca/get-help/your-registrar/>.

RESEARCH STUDY

This course aims to develop your economics conceptual knowledge and higher order thinking skills. Prof. Freitas and Dr. Williams are working on a research project to examine the role of writing to facilitate this. We hope that you will be a part of this research. Participating in this research will involve you giving us access to your grades and doing five brief (5-10 minute) online surveys via Portal – at the beginning, the end of the course, and after each of the three writing assignments. We will use the anonymized data to examine student perceptions of writing and the relationship between writing and grades. This will allow us to improve instructional supports for Eco 206 students in the future. More information on this project can be found on Portal under the Research Study tab. *Participation in this study is completely voluntary and you may withdraw from the study at any time, for any reason without consequence.* Prof. Freitas will have access to the anonymized data only *after* the course is over and will not know the identity or survey responses of participants, or whether or not a student participated. To encourage survey completion, **you will get a 1% bonus mark (i.e. 1 out of 100 on your final course grade) for completing ALL the surveys. It is available to ALL students in the course regardless of study participation.**

Dr. Williams will be in class during the first lecture to go over the consent form and to answer any questions. If you have any further questions or concerns about this study you may contact her by email at al.williams@utoronto.ca.

COURSE OUTLINE

All the material we cover in class, tutorials, textbook, problem sets, writing assignments and homeworks are considered testable material. All the material in the chapter, including appendices are included unless explicitly stated. The schedule is subject to change. You may have to do additional readings which will be posted during the course.

Lec.	L101,L501	L201	Chapters	Material
1	14-Sep	15-Sep	1, 3.3	Introduction and Budget Constraints
	15-Sep	15-Sep		Tutorial
2	21-Sep	22-Sep	3.1,3.2	Preferences and Utility
	22-Sep	22-Sep		Tutorial
3	28-Sep	29-Sep	3.4	Choice
	29-Sep	29-Sep		Tutorial
4	5-Oct	6-Oct	4.1-4.2	Demand and Income Effects
	6-Oct	6-Oct		Tutorial
5	12-Oct	13-Oct	4.3-4.4	Substitution Effects
	13-Oct	13-Oct		Tutorial
6	19-Oct	20-Oct	5.4, 2.5	Labor Supply, Elasticities
	20-Oct	20-Oct		Tutorial
7	26-Oct	27-Oct	5.1-5.3	Consumer Surplus
	27-Oct	27-Oct		Tutorial
8	2-Nov	3-Nov	16	Consumer Surplus, Uncertainty
	3-Nov	3-Nov		Tutorial
9	9-Nov	10-Nov	16	Uncertainty
	10-Nov	10-Nov	MIDTERM 1	Coverage: Lectures 1-8
10	16-Nov	17-Nov	6	Production
	17-Nov	17-Nov	WRITING TUTORIAL	Tutorial
11	23-Nov	24-Nov	7	Cost Minimization and Cost curves
	24-Nov	24-Nov	WRITING ASSIGN. 1 DUE	Tutorial
12	30-Nov	1-Dec	8, 15.1	Profit Maximization and Factor Demand
	1-Dec	1-Dec		<i>1hr of Lec 13 for L101 and L501 during tutorial. No tutorial for L201</i>
13	5-Jan	5-Jan	2.1-2.4,9.1-9.2	Perfect Competition
	5-Jan	5-Jan		<i>1hr of Lec 13 for L101 and L501 during tutorial. No tutorial for L201</i>
14	11-Jan	12-Jan	2.6-2.8, 9.3-9.5	Welfare and Distortions
	12-Jan	12-Jan		Tutorial
15	18-Jan	19-Jan	10	General Equilibrium
	19-Jan	19-Jan	MIDTERM 2	Coverage: Lectures 9-14
16	25-Jan	26-Jan	11	Monopoly and Monopsony
	26-Jan	26-Jan	WRITING TUTORIAL	Tutorial
17	1-Feb	2-Feb	12	Price Discrimination
	2-Feb	2-Feb	WRITING ASSIGN. 2 DUE	Tutorial
18	8-Feb	9-Feb	13.1	Game Theory - Static Games
	9-Feb	9-Feb		Tutorial
19	15-Feb	16-Feb	13.2	Game Theory - Dynamic Games
	16-Feb	16-Feb		Tutorial
	22-Feb	23-Feb		No class - Reading Week
	23-Feb	23-Feb		No-tutorial - Reading Week
20	1-Mar	2-Mar	14.1-14.3	Oligopoly - Cournot
	2-Mar	2-Mar	WRITING TUTORIAL	Tutorial
21	8-Mar	9-Mar	14.4-14.5	Oligopoly - Bertrand, Stackelberg
	9-Mar	9-Mar	WRITING ASSIGN. 3 DUE	Tutorial
22	15-Mar	16-Mar	17.1-17.5	Externalities
	16-Mar	16-Mar	MIDTERM 3	Coverage: Lectures 15-21
23	22-Mar	23-Mar	17.6	Public Goods
	23-Mar	23-Mar		Tutorial
24	29-Mar	30-Mar	18,19	Adverse Selection and Moral Hazard
	30-Mar	30-Mar		Tutorial
	5-Apr			No class