



UNIVERSITY OF
TORONTO

Department of Economics (St. George)

ECO 204: Microeconomic Theory (Commerce), 2017-2018

Ajaz's sections: L0101, L0201, L0301, and L0401

Course Description

In ECO 204, students will learn micro-business models of consumer choice and behavior, decision making under uncertainty, risk and insurance, inter-temporal consumption and savings, financial portfolios, producer choice and behavior, cost analysis, competitive and imperfectly competitive firms/markets, pricing mechanisms, and game theory. Students will apply these micro-business models to real life through a plethora of Harvard Business School (HBS) cases. Since ECO 204 is a *commerce* – not a *business* – course, students will use rigorous mathematical methods (such as constrained optimization and linear algebra) and quant Excel models utilizing, among others, optimization tools, data analysis, regression analysis, linear programming, and Monte-Carlo simulations. Students will also analyze and present HBS cases (in groups – see below), write a short business report, and do an Excel project.

Prerequisites:

It is *your* responsibility to check <https://fas.calendar.utoronto.ca/course/ECO204Y1> whether you have met the prerequisites for ECO 204.

Please note that the Economics Department checks prerequisites manually and will ultimately remove students who fail to satisfy the prerequisites (i.e. being able to register for ECO 204 through ACORN does not guarantee that you have met all prerequisite requirements).

LECTURES

Lecture Section	Day	Time	Lecture Location
Section L0101	Tuesdays	11 am – 1 pm	MS 2172
Section L0201	Tuesdays	2 – 4 pm	BA 1170
Section L0301	Wednesdays	11 am – 1 pm	Fall Semester: MS 2170; Spring Semester: SF 1101
Section L0401	Wednesdays	2 – 4 pm	MS 2170

Attendance is mandatory and you can attend *any* of Ajaz's lectures.

TUTORIALS

Day	Time	Location	Tutorial Section
Fridays	11 am – 1 pm	MS 2158	This tutorial section is exclusively for students enrolled in Sections 101 and 201
Fridays	2 – 4 pm	NF 003	This tutorial section is exclusively for students enrolled in Sections 301 and 401

Attendance is mandatory.
You *must* attend the tutorial section corresponding to the lecture section that you're enrolled in.

COURSE STAFF	
Instructor	
Name:	"Ajaz" Hussain
Office:	GE 212
"Physical" Office Hours:	Tuesdays 5 – 7 pm in GE 213 or by appointment (starting September 19 th) Extra office hours will be held before tests, projects, exams.
"Online Google Hangout" Office Hours:	Thursdays, 8 – 9 pm or by appointment (starting September 21 st and subject to change) The mechanics: Around 7:55 pm, I will e-mail the class a link to join a "Google Video Hangout" with economics204@gmail.com . Please note that at most 10 people can "hangout" at any time. Extra "online" office hours will be held before tests, projects, exams.
Please do NOT send e-mails to the instructor's U of T e-mail address. Instead, please direct all ECO 204 related e-mails to the ECO 204 Course Administrator at eco.204@utoronto.ca	
Course Administrator	
Please e-mail the course coordinator for all ECO 204 related questions	
Name:	"Asem"
E-mail:	eco.204@utoronto.ca
E-mail is not an appropriate forum for discussing details of lectures, cases, etc. 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 48 hours (except weekends) provided your question(s) can be answered with a one or two sentence answer. We are <i>not</i> going to answer questions about information that is already on the ECO 204 website (for example: test dates) nor questions about grades. We strongly recommend sending e-mails from your UToronto email address. Always identify yourself by name and section and never e-mail us projects.	
Teaching Assistant for Lectures & HWs	
Name:	"Cheok"
Office:	TBA
Office Hours:	TBA. Extra office hours will be held before tests, projects, exams.
E-mail:	eco.204@utoronto.ca
Head Teaching Assistant for Group Presentations	
Name:	"Yiran"
Office:	TBA
Office Hours:	TBA
E-mail:	eco.204@utoronto.ca

Course Material	
Required Textbook	
Ajaz Hussain, "Microeconomic Theory and Commercial Applications" (chapters will be posted on the ECO 204 site)	
Required Cases for Discussions in Lectures	
Ajaz ECO 204 2017-2018 HBS Cases (Please register as a student and download by December, 31 st , 2017).	
Required Cases for Group Presentations	
Either posted on the ECO 204 site or available for purchase at HBS Press (link will be e-mailed to students)	
Excel	
Excel 2007 (or later versions) running on PCs (not Apples) with Windows operating systems Please install "Solver add-in", "Data Analysis add-in", " FRED Excel Add-in ", and " Monte-Carlo Simulations Add-in " Ajaz's ECO 204 Excel Lessons on YouTube (apologies for less than stellar quality and the soporific tone).	

Weekly Lectures, HWs, and Tutorial Assignments

Lecture slides will be posted by Monday, 9 pm EST on the [course website](#).

Weekly HWs with solutions will be posted by Thursday, 6 pm EST on the [course website](#). HWs are not graded..

Course Evaluation

Please see the “notes” below (especially policies on missing tests, missing presentations, late project submissions)

“What”	Weight	“When”	“Where”
Midterm Test 1 (◇)	15% (*)	Friday, October 20 th , 7 - 9 pm (**)	EX 100, 200, 310, 320 (***)
Midterm Test 2 (◇)	15% (*)	Thursday, December 7 th , 5 – 7 pm (**)	EX 100, 200, 310, 320 (***)
Midterm Test 3 (◇)	15% (*)	Friday, February 9 th , 7 - 9 pm (**)	TBA (***)
Final Exam (◇)	25%	TBA	TBA
One Group Presentation (Slides, Excel, 5-7 page Paper) (‡)	20% (‡)	Ongoing basis during tutorial sessions (‡)	Group Presentations during Tutorials Prior to presentations, each group should upload slide deck, Excel file, and group paper through “Group Presentation Tabs” in ECO 204 Blackboard (Δ)
Individual “Paper” Assignment (2 – 3 pages)	5%	Posted Friday, February 16 th Due 6 pm (EST), Monday, February 26 th	Submit paper through “Paper Tab” in ECO 204 Blackboard (•)
Individual “Excel” Assignment	5%	Posted Friday, February 16 th Due 6 pm (EST), Monday, February 26 th	Submit Excel through “Excel Tab” in ECO 204 Blackboard (•) Students will meet the Excel TA one-on-one to explain their Excel model
Makeup Tests 1 & 2	Depends on which test(s) were missed	Friday, January 5 th , 6 – 8 pm	GE 100
Makeup Test 3	15%	Friday, March 23 rd , 6 – 8 pm	GE 100

Notes on Course Evaluation and Policies on missing tests/late submissions

◇ Notes on Midterm Tests & Final Exam:	<p>Test 1: Covers all material through October 13th</p> <p>Test 2: Covers all material from October 17th through November 24th</p> <p>Test 3: Covers all material from November 28th through February 2nd</p> <p>About 50% of mid-term test questions <i>will</i> be similar to the questions in the weekly HWs (HWs posted on a weekly basis and are accompanied by detailed solutions).</p> <p>The final exam and midterm tests <i>will</i> include questions from cases discussed in lectures, cases presented in “group presentations” (see below), as well as from “current micro news articles” (posted on an ongoing basis) and discussed during lectures.</p>
* Note on Midterm Test Weights:	<p>When calculating the overall course grade, the ‘worst’ test will be re-weighted to be 10% of the overall course grade while the ‘best’ test will be re-weighted to be 20% of the overall course grade.</p>

<p>** Note on Dates and Times of Midterm Tests</p>	<p>Please bring a scientific calculator and your student ID. Students can appeal their test grades by typing their argument for a re-grade in the Test/Paper Re-grade Request Form and submitting a hard copy to the instructor within two weeks of the tests being returned to the class. If you have a valid and direct conflict with a midterm test (valid reasons include “sports” and “religious” factors): please e-mail the course administrator (at eco.204@utoronto.ca) two weeks (sic) before the test to make alternative arrangements to take the test at an <i>earlier</i> time (on the same day as the test).</p> <p>Policy on missed tests: Within 72 hours of the test start time, e-mail the course administrator at eco.204@utoronto.ca to explain why you missed the test. If you missed the test due to “medical reasons” then, within seven days of the test date, you must provide the instructor with an original University of Toronto medical certificate (no photocopies or emailed notes) stating that you were too ill to take the <u>ECO 204 test during the ECO 204 test date and time</u> (sic). The medical note <i>must</i> list the physician’s OHIP number. Please note that “illness before the test” or “the student would have performed sub-optimally” are not acceptable medical reasons for missing tests. At the instructor’s sole discretion, students who miss test(s) may be permitted to take a makeup test: if you missed Test 1 and/or Test 2, you will take the “makeup test 1” at 6 pm, Friday, January 5 in GE 100 (please confirm location with course administrator; note that makeup test 1 will cover all material through test 2); if you missed Test 3, then you will take the “makeup test 2” at 6 pm, Friday, March 23 in GE 100 (please confirm location with course administrator). Makeup tests are not “bell curved” and, consistent with university policy, there are no “make-up” tests for missing make-up tests.</p>										
<p>*** Note on Locations of Midterm Tests</p>	<p>The exact room location by students’ last names will be announced about three days before the test.</p>										
<p>‡ Note on Group Presentations</p>	<p>We will randomly assign students in groups of four/five students. Starting around four/five weeks into the course, four groups will be selected to present a case in each Friday tutorial session dedicated to group presentations. Here are the mechanics: suppose that today is a Thursday and there is a group presentation three Fridays from now:</p> <table border="1" data-bbox="298 1409 1502 1885"> <tr> <td data-bbox="298 1409 488 1612"> <p>Thursday (Today)</p> </td> <td data-bbox="488 1409 1502 1612"> <p>Four groups randomly selected to present a case three Fridays from now. The case will be posted on the ECO 204 site or available for purchase at HBS Press website. All groups, regardless of whether they are presenting or not, should purchase the case because the midterm and final exam will contain small questions on cases from “group presentations”.</p> </td> </tr> <tr> <td data-bbox="298 1612 488 1682"> <p>Friday</p> </td> <td data-bbox="488 1612 1502 1682"> <p>Each group separately analyzes/solves case on their own. Prepare slides, paper, and Excel model.</p> </td> </tr> <tr> <td data-bbox="298 1682 488 1751"> <p>Saturday</p> </td> <td data-bbox="488 1682 1502 1751"> <p>Each group separately analyzes/solves case on their own. Prepare slides, paper, and Excel model.</p> </td> </tr> <tr> <td data-bbox="298 1751 488 1820"> <p>Sunday</p> </td> <td data-bbox="488 1751 1502 1820"> <p>Each group separately analyzes/solves case on their own. Prepare slides, paper, and Excel model.</p> </td> </tr> <tr> <td data-bbox="298 1820 488 1885"> <p>Monday</p> </td> <td data-bbox="488 1820 1502 1885"> <p>Each group separately analyzes/solves case on their own. Prepare slides, paper, and Excel model.</p> </td> </tr> </table>	<p>Thursday (Today)</p>	<p>Four groups randomly selected to present a case three Fridays from now. The case will be posted on the ECO 204 site or available for purchase at HBS Press website. All groups, regardless of whether they are presenting or not, should purchase the case because the midterm and final exam will contain small questions on cases from “group presentations”.</p>	<p>Friday</p>	<p>Each group separately analyzes/solves case on their own. Prepare slides, paper, and Excel model.</p>	<p>Saturday</p>	<p>Each group separately analyzes/solves case on their own. Prepare slides, paper, and Excel model.</p>	<p>Sunday</p>	<p>Each group separately analyzes/solves case on their own. Prepare slides, paper, and Excel model.</p>	<p>Monday</p>	<p>Each group separately analyzes/solves case on their own. Prepare slides, paper, and Excel model.</p>
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Tuesday	Each group separately analyzes/solves case on their own. Prepare slides, paper, and Excel model.
Wednesday	Each group separately analyzes/solves case on their own. Prepare slides, paper, and Excel model.
Thursday	Each group separately analyzes/solves case on their own. Prepare slides, paper, and Excel model.
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Saturday	Each group separately analyzes/solves case on their own. Prepare slides, paper, and Excel model.
Sunday	Each group separately analyzes/solves case on their own. Prepare slides, paper, and Excel model.
Monday	Meet four TAs separately for feedback on solution, slides, Excel, and paper (can do earlier)
Tuesday	Meet four TAs separately for feedback on solution, slides, Excel, and paper (can do earlier)
Wednesday	Meet four TAs separately for feedback on solution, slides, Excel, and paper (can do earlier)
Thursday	
Friday (Group Presentations)	Each group will make a 20-minute presentation during the tutorial. Order of presentations randomly chosen. Presentations judged on: "Analysis" (5% of total grade); "Quality of slides/presentation" (5% of total grade); "Excel model" (5% of total grade); "10-page Group Paper" (5% of total grade). If the majority of the group unanimously "complains" about a specific group member (for example, a member "put in zero/minimal effort") then that errant student's grade will be reduced by at least 5% of the overall course grade.

Here is a recommended (loose) template for presentations:

- Introduction and opening remarks ("statement of the central issue(s)")
- Agenda
- Overview & Background
- [If applicable] Data description with summary stats, graphs, and charts
- Analysis (please list regressions results). Here is an [excellent example](#).
- Recommendations/conclusion
- Have backup slides and models (you should be able to bring these up in real time)
- You cannot "go outside" the case; i.e. you should stick to the facts and data in the case.

Here are two "old" examples of "professional" presentations: [SH&E \(Airline Consulting Firm\) Presentation](#) and [Goldman Sachs presentation to Brown University Corporate Finance 2nd year Undergrad students](#).

Here's a recommended loose template for the paper:

- Introduction and opening remarks ("statement of the central issue(s)")
- Agenda
- Overview & Background
- [If applicable] Data description with summary stats, graphs, and charts
- Analysis (please list regressions in a single table). Here is an [excellent example](#).
- Recommendations/conclusion

	<ul style="list-style-type: none"> Highly recommended “style guides”: Economist Magazine Style Guide and The Elements of Style <p>Policy on missed presentations: Penalty for being absent from your group presentation: you will get 0 points the group presentation unless you provide a <i>valid</i> reason for why you missed the presentation. Within 72 hours of the missed presentation tutorial start time, e-mail the course administrator at eco.204@utoronto.ca) to explain why you missed the presentation. If you missed the presentation due to “medical reasons” then, within 72 hours of the start time of the missed tutorial, you must provide the instructor with an original University of Toronto medical certificate (no photocopies or emailed notes) stating that you were too ill to <u>present the ECO 424 group presentation on that date and time</u> (sic). The medical note <i>must</i> list the physician’s OHIP number. Please note that “illness before the presentation” or “the student would have performed sub-optimally” are not acceptable medical reasons. If the instructor is satisfied with your explanation, then you will be permitted to “make up” the missed presentation by writing a 20-page paper on your case as well as a half hour oral exam on the case (the results of the oral exam will be worth 80% of your group presentation score). The 20-page paper is due at the beginning of next week’s tutorial session. The course administrator will e-mail you on setting up a time for the oral exam.</p> <p>Policy on late submissions: Penalty for late submissions: 25% (of the group presentation’s maximum score) penalty per 24 hours that <i>any</i> component (slides, Excel, or paper) of the presentation is late.</p>
<p>△ Note on uploading Group Presentations Slides and Excel file</p>	<p>Please upload the slide deck, Excel file, and paper <i>before</i> your presentation. One submission per group. Name the files as “Group_Name” and please list the names of all group members on the title slide/worksheet.</p>
<p>• Note on submitting paper and Excel file</p>	<p>The paper and Excel projects are <i>individual</i> assignments (i.e. you must do these on your own; having others do these assignments is an academic offense). Please see statement on academic integrity below.</p> <p>Here’s a recommended <u>loose</u> template for the paper:</p> <ul style="list-style-type: none"> Introduction and opening remarks (“statement of the central issue(s)”) <ul style="list-style-type: none"> Agenda Overview & Background [If applicable] Data description with summary stats, graphs, and charts Analysis (please list regressions in a single table). Here is an excellent example. Recommendations/conclusion Highly recommended “style guides”: Economist Magazine Style Guide and The Elements of Style <p>The paper must be in PDF format and the Excel file must be submitted from a non-Apple “PC” running windows (to stress: you should not submit the Excel file from an Apple computer even if the Apple has a Windows operating system). All files <i>must</i> be titled Lastname_Firstname. Do NOT e-mail assignments to course staff.</p>

Policy on late submissions:

Penalty for late submissions (per assignment): 25% (of the assignment's maximum score) penalty per 24 hours that the assignment is late.

Students may appeal project grades by typing their argument for a re-grade in the [Test/Paper Re-grade Request Form](#) and this form must be printed and submitted to the instructor within two weeks of the project being returned to the class.

Academic Integrity:

Academic integrity is one of the cornerstones of the University of Toronto. It is critically important both to maintain our community which honors the values of honesty, trust, respect, fairness and responsibility and to protect you, the students within this community, and the value of the degree towards which you are all working so diligently.

According to Section B of the University of Toronto's [Code of Behavior on Academic Matters](#) which all students are expected to know and respect, it is an offense for students: To obtain unauthorized assistance on any assignment; Showing another student completed work (e.g., an answer in a test); To falsify or alter any documentation required by the University. This, includes, but is not limited to, doctor's notes; To use or possess an unauthorized aid in any test or exam; To continue writing the exam after being instructed to stop writing; There are other offenses covered under the [Code](#) but these are by far the most common. Please respect these rules and the values which they protect.

ECO 204: EXTRA RESOURCES

[Economics Study Center](#) (opening September 2017)

[Ajaz's ECO 204 2017-2018 FB Group](#)