

# Intermediate Microeconomics for Commerce Students

The Eco 204Y Syllabus: What you need to know to succeed

- **Motivation**  
Intel case study

INTC (dark blue) vs  
S&P500 (light blue),  
1980-2018  
(Yahoo Finance)



- **Why**  
you will benefit from Eco204
- **How**  
you will achieve those benefits.
- **What**  
we will cover in this course.

Until 1981, the majority of Intel's business came from the sale of memory. Then memory sales came under threat from Japanese companies, who doubled their market share between 1978 to 1988. Intel considered its response: Leapfrog Japanese manufacturing? Bet on avant-garde technology? Double down on serving specialty markets?

In the middle of 1985, president Andrew Grove and CEO Gordon Moore were discussing the memory quandary once more. Grove recalls,

*I asked Gordon: "If we got kicked out and the board brought in a new CEO, what do you think he would do?" Gordon answered without hesitation, "He would get us out of memories." I stared at him, numb, then said, "Why shouldn't you and I walk out the door, come back in, and do it ourselves?"*

So they did – and Intel has dominated the microprocessor market since.

To be able to make such a call and succeed in business like Grove and Moore did, you need four things: (1) an analytical framework, (2) the skill to read and understand business numbers and trends, (3) the ability to emotionally detach yourself from previous work, and (4) someone you trust you can talk to.

Eco204Y supports you in developing the analytical framework you need and lays foundations for specialized analytical tools you have the opportunity to learn in year three and four.

You will deepen your understanding of the standard microeconomic models and strengthen your analytical, problem-solving, and modelling skills through participating in class discussions, solving practice problems, creating models, communicating verbally and in writing, analyzing case studies, working individually, in pairs, and groups.

Models covered include: Consumer preferences and behavior, cost structure, pricing and firm behavior, exit and entry strategies, market structures and market power, game theory and public policy, principal-agent problems. Skills focussed on include: professional writing, structured team work, critical thinking, and problem-solving skills.

# Learning Objectives,

As a successful student, at the end of this course you will

## **Foundational Knowledge**

- Have developed a deep understanding of standard microeconomic models.
- Be able to solve numeric, graphical, and formal microeconomic problems.

## **Integration and Application**

- Be able to draw on several problem-solving strategies when approaching unfamiliar problems.
- Be able to connect microeconomic models to real-world observations.
- Be able to apply microeconomic models, understand their purpose, and critically assess their limitations.

## **Professional Development**

- Have developed professional writing skills.
- Have practiced structured team work.
- Understand yourself as a team player.

# Course Structure,

The course consists of the following parts

## **0. Introduction** week 1-2

- Get to know your classmates and your instructor.
- Understand the syllabus, course components and expectations.

## **I. Consumer Behavior** week 2-8

- Understand and learn to apply models of consumer behavior.
- Review mathematical tools needed in Eco204.
- Introduce problem-solving skills.
- Find writing partner, peer review groups. Introduce structured teamwork.

## **II. Firm Behavior** week 8 - 14

- Understand and learn to apply models of firm behavior.
- Learn to use math as a modeling language. Apply problem-solving skills.
- Practice professional editing.

## **III. Strategy** week 14-18

- Understand and learn to apply models of game theory.
- Further practice structured teamwork, writing and problem solving skills.

## **IV. Market Failures, Principal-Agent** week 18-24

- Understand and learn to apply selected other microeconomic models.
- Review models covered; practice applying them to real-world scenarios.
- Deepen problem-solving skills.

## and Course Components

You can earn 100 points or marks in this course. Their allocated across various assignments is as follows:

### Small Assignments

5 x 2 points

- Five times this year, deadlines tba.
- Submit a reflection, discussion, or problem solution, related to the material covered in the class before and/or after the assignment.

### Writing Assignments

3 x 15 points

Strong writing skills are a pillar of professional success:

Whether you want a job, a raise, or funding for your start-up: The person who can formulate and communicate the best argument almost always wins.

- Three times this year, after completion of Part I, II, III, respectively.
- Work with partner of your choice following in-class guidance.
- Use one or more of the models we covered and apply it to a real-world anecdote or a personal observation. Originality is encouraged.
- Three stage submission process:
  - (1) Submit a complete, properly formatted draft. (2 points)
  - (2) Participate constructively in an in-class peer review session. Support and guidance for peer review will be provided. (3 points)
  - (3) Final submission. Grading of final submission is based on economic accuracy and the quality of the overall exposition. (10 points).
- Details, deadlines, and grading rubric will be discussed in class and posted on Quercus.

### Midterms

2 x 15 points

- Comprehensive 3h final exam: April Exam period
- Two 3h midterms: December exam period (tba), February 28<sup>th</sup> 10-1pm
- All tests and the final are section-specific.  
Each instructor of Eco204 sets their own midterms and final.

### Final

1 x 15 points

- Testable material include all material covered: assigned reading, lectures, class discussions, and practice problems.  
You may be asked to relate material from different parts of the course.
- Structure and Format:
  - Midterms: Three parts asking you to demonstrate your mastery of economic terminology, models, and applications, respectively. Midterm questions vary in format. There may be short-answer questions, theory questions, long problems, and T/F questions.
  - Final: Assesses your comprehension of microeconomic models and your ability to apply them to real-world settings. It consists of T/F questions only.
- Grading will emphasize the quality of your argument/ showing your work over your final answer.

Midterms and Final Rules:

- Closed-book.
- No electronic devices (ebooks, laptops, etc.) may be used.
- No calculators.
- All smart/ cell phones must be turned off.
- You may use a cheat-sheet.  
Midterm: ½-letter  
Final: full-letter  
(two-sided, any style/  
content allowed)

# Course Policies.



It is an academic offence to feign illness to avoid a test.

## **Email Policy and Etiquette.**

Email is not an effective way to discuss economics. Instead, talk to me before/ after class, come to office hours, or make an appointment. Please

- reserve email communication for brief administrative questions.
- do include Eco204 in the subject line.
- be as specific as possible.
- do not send attachments unless requested.

I strive to reply to e-mail within 24 hours, except on weekends. Emails between instructors and students constitute professional communication; please treat them as such.

## **Missed Midterms.**

If you have a time conflict with a midterm, contact me as soon as possible and no later than 10 days before the test/ your departure (whichever occurs earlier).

If you miss a midterm, you must provide me with a 450-500 words typed explanation and – where appropriate – a medical note within 5 business days. The word limit is strict and the explanation must include why you could not have anticipated and/or prevented missing the test.

If you miss midterm 1, you will write the make-up test on Friday, January 18 1-4pm. If you miss midterm 2, you will write the make-up test on Friday, April 5<sup>th</sup>, 1-4pm. Makeup tests cover all material through the last lecture before the make-up test and are not “bell curved”.

Consistent with university policy, there is no “make-up” test for the make-up test. No medical excuses will be accepted for missing the makeup test and a grade of zero will be applied.

## **Missed Peer Review Sessions.**

No make-up credit will be given for any reason for missed peer review sessions.

In class we will use OKRs to help you keep your writing projects on track.

You must submit any appeals within two weeks of the grade having been posted on Quercus.

When we have to track down an assignment because you did not include your name and ID, we lose time we could have spent helping you understand the material.

If you want to opt out of using Turnitin.com, you must inform me in writing with a signed document by November 1<sup>st</sup>.

Alternative arrangements may include but are not limited to submitting additional documentation and/or meeting with me to discuss your assignment.

### **Rounding Policy.**

To arrive at your final mark I will round your final score to the nearest integer, e.g., an overall score of 69.4 is a final mark of 69. No exceptions.

### **Late Submission.**

Written work submitted past the deadline will incur an automatic deduction of two points per started 24h late period.

### **Appealing a Grade**

Students can appeal test grades and grades for writing assignments submitting an electronically fillable Test Remark Request form available through the Quercus website. Please note that following an appeal, your test score can increase, decrease, or stay constant.

### **Name and Student ID Number.**

Please list your name and ID number on all tests, submissions, etc. Failure to do so results in an automatic deduction of 1 point per incident.

### **Turnitin.com**

I request that you submit all writing assignments on Quercus and on Turnitin.com (TI). The University statement on Turnitin.com follows:

*“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.”*

You can choose to opt out of TI. Please contact me for details on alternative arrangements. The deadline to opt out is Nov 1<sup>st</sup>. If you do not opt out, failure to submit your assignment to TI results in a score of 0 on the assignment.

# Academic Integrity.

- **Why**

Upholding high standards of Academic Integrity is essential for successful academic discourse, and to the pursuit of learning and scholarship. Respecting and enforcing these standards at our University also ensures that the degree you earn from the University of Toronto is a strong signal your learning and academic achievement.
- **How**

You uphold high standards of Academic Integrity by:

  - doing and submitting only your own work
  - giving credit to others for their ideas and works
  - correctly quoting your sources
  - correctly paraphrasing
  - correctly summarizing
- **More Information**

If you have questions or concerns about what constitutes appropriate academic behaviour or appropriate research and citation methods, please consult with me or seek additional information from institutional resources (see [www.utoronto.ca/academicintegrity/resourcesforstudents.html](http://www.utoronto.ca/academicintegrity/resourcesforstudents.html)).

If you need a more detailed information on what constitutes plagiarism, please consult one of the writing centres or <http://www.writing.utoronto.ca/advice/using-sources/how-not-to-plagiarize>.
- **Enforcement**

The University of Toronto takes its responsibility to uphold high academic standards very seriously. Sanctions in cases of cheating and plagiarism can include temporary and permanent records on your transcript, suspension from the course, up to suspension from the University.

The University of Toronto's Code of Behaviour on Academic Matters ([www.governingcouncil.utoronto.ca/policies/behaveac.htm](http://www.governingcouncil.utoronto.ca/policies/behaveac.htm)) outlines the behaviours that constitute academic dishonesty and the processes for addressing academic offences.
- **Not up the instructor**

If I observe behaviour that might involve academic dishonesty, I am required to report it. It is not up to me to judge whether the behavior was unintended, a minor infraction, a first-time infraction, etc. I am professionally bound to report any suspicious behavior.

# You will need ....

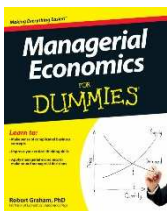
Required



## A Clipboard suitable for letter-sized paper.

Classes will be interactive and involve getting up, talking to classmates at the other end of your row or the other end of the room. A clipboard makes taking notes and working together regardless of the location of tables much easier. Cost (at DollarRama): \$1.50

Required



## Robert Graham: Managerial Economics for Dummies.

This affordable textbook covers most of the course's material in a concise, plain-English manner. Cost (Amazon.ca): \$25 (more will be in stock soon).

There will be reading assignments for approx. 17 of the 24 classes that will help you follow/review the lecture. Note that rereading the textbook is not an efficient learning strategy.

Required



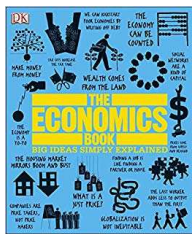
## 8 hours of time. Every week.

Full time student = full time work. So: 5 courses = 40 hours each week. As instructors we are encouraged to design our courses such that the average student can perform satisfactorily (= C) by spending 8h each week.

- 8h per week
- = 3h in class
- + 1h reviewing previous class
- + 1h reading and preparing for next class
- + 3h problem solving and writing.

I am aware that many of you take six courses, work part- or full-time, are involved in clubs, apply for internships, and/or have family obligations. Please be aware of your opportunity cost and work effectively with the time you have. Cost: Foregone wages, less time for other activities.

Recommended



## DK: The Economics Book: Big Ideas Simply Explained

This book places ideas you will see in different economic classes in context – to each other, historically, and as they relate to the real world.

Cost (Amazon.ca): \$28

Also used



## Other Sources

Throughout the course, we will also use other resources and readings, including newspaper and radio clips. Video material will mostly come from the MIT open course ware project and YouTube; in particular the Game Theory 101 channel and the How It's Made channel. Cost: Free

# Course Summary

## Time and Location

Class: Thursdays 10am - 1pm. EM 001

Office hours: Tu 1:30-3pm, Fr 3-4pm in GE 348

You can also email me to arrange to meet me before/ after class. If neither of these times fits your schedule, please email me with a copy of your time table attached to set up an appointment at some other time.

I enjoy discussing economics/ life/ college ... with you and look forward to seeing you in office hours!

## Course Structure

Part 0: Introduction

Part I: Consumer preferences and behavior, understanding demand.

Part II: Firm behavior, understanding supply, market structures.

Part III: Strategy

Part IV: Market failures, principal-agent problem

## Class Format

The class meets once a week for 3h. In-class activities include lecturing, individual and group activities, problem solving and a lot of in-class discussion. The classroom is a place for friendly and intense discussions furthering all our understanding of the material. To better foster face-to-face interactions in class, the use of electronic devices is not allowed, except when explicitly mentioned.

At-home activities include reading, writing, and solving practice problems. Make sure to schedule all three activities throughout the week. Every week.

## Contact

Karen F Bernhardt-Walther  
[bkaren@economics.utoronto.ca](mailto:bkaren@economics.utoronto.ca)

## Marking Scheme

Small assignments:	5 x 2	10
Midterms:	2 x 15	30
Writing Assignments:	3 x 15	45
Final:	15	15
Total:		100

## Course Website

Deadlines for all assignments, submission details, reading lists for each course part, study guides, and more will be available on Quercus.

## Key Dates

11/16: Submit first draft, WA 1  
11/22: Peer review session, EX 200  
11/30: Submit WA 1

Exam period: Midterm 1

01/25: Submit first draft, WA 2  
01/31: Peer review session, tba  
02/08: Submit WA 2

02/28: Midterm 2, tba

03/15: Submit first draft, WA 3  
03/21: Peer review session, tba  
03/29: Submit WA 3

Exam period: Final