
Eco 206Y1Y L101: Microeconomic Theory, Summer 2019

Prof. Turner, 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 microeconomics 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 – MAY 7 TO AUG 10, 2019

Meeting information	Section	Lecture day, time & location	Tutorial day, time & location
	L101	Tue and Wed, 10-12 noon in LM158	Thu, 10-12noon 1. LM158 – Math TA #1 (details later) 2. TBA – Math TA #2 (details later)

Contact Information **Prof. Turner** lmf.turner@utoronto.ca
TAs:
Math and problem sets: En Hua Hu enhua.hu@mail.utoronto.ca, Mathieu Gilbert-Gonthier mathieu.gilbert.gonthier@mail.utoronto.ca and Rick Xie sixia.xie@mail.utoronto.ca
Writing: Alexander Hempel alex.hempel@mail.utoronto.ca

Office Hours **Prof. Turner:** Mondays 11.00am-1.00pm (**location GE 164**). **TAs:** Fri 1-3pm (**GE 213**). One math TA will be “on duty” each week and the same advice applies. Special office hours (time TBA) with the writing TA Alex will be held prior to the due date for the second writing assignment.

GE 213 is a large room and you are encouraged to come in even if you don't have any specific questions. In the past students have worked on the material in the room, using the TAs as a resource if they need help. It is also a way to get to know other students and form study groups.

Links **Course website:** Quercus site

MyEconLab: <http://www.pearsonmylabandmastering.com/northamerica/myeconlab/>

Piazza: <https://piazza.com/utoronto.ca/summer2019/eco206/home>

Required Text *Microeconomics: Theory and Applications with Calculus, 4rd Ed.* by Jeffrey M. Perloff. You can use the 3rd edition as long as you note any differences in coverage. (1 copy of each versions is available in Robarts's course reserves.)¹

Required Graded Homework **A paid access card is required. If the cost is an issue for you, please contact me ASAP.** Getting comfortable with the math in this class requires regular practice with feedback. We will be using [MyEconLab](#) for online weekly homeworks. Its online study plan provides extra problems as well.

Registration instructions are on Quercus. A standalone access code (without the e-text) can be purchased for \$50. You could alternatively purchase the access code bundled in with the physical textbook (\$175) or with the e-textbook (\$120). If you buy a used textbook, you will need to buy a separate MyEconLab code. These are specialty negotiated prices available only from the UofT bookstore.

Lectures and Tutorials Lecture Handouts will be posted on Quercus the night before. They are supplemental to the material in the book and are **not a substitute for attending lecture**. Microeconomics requires **you** to actively engage with the material. You will need to supplement them with your own notes, both during and after class, for them to be effective study aids.

Two concurrent two-hour long tutorials will be held on Thursdays, except for when we have tests. You are free to attend either 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. Attendance will be taken during tutorial as a supplement to your homework grades.

Communication - Email, Website and Quercus All announcements, course material, past exams, problem sets, assignments etc. will be provided on Quercus. In particular, keep an eye on Quercus for course announcements regularly! We will also 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. If you prefer to email me privately with a question, I will try to respond to within 2 business days. If the answer is of general interest I will post it and my response (anonymously) on Piazza. If you do not get a reply please check Quercus, 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.

<https://fas.calendar.utoronto.ca/course/eco206y1>

<http://www.economics.utoronto.ca/index.php/index/undergraduate/load/prerequisites>

Academic Integrity Academic Integrity is central to a UofT education. We take it seriously and so should you. Your degree has value because of what you learn in your courses and your grades are a reflection of this. When you cheat you do not acquire this knowledge. When your employers realize this it impacts your career and the careers of your fellow students as it affects UofT's reputation with employers. For the writing assignments, when we come up with new ideas we draw on contributions people have made. We must properly acknowledge them. You'd want others to do the same for your work. If you have any questions or need clarifications, please don't hesitate to ask. Better safe than sorry.

We expected you to have read the University of Toronto's [Code of Behavior on Academic Matters](#). Please see: <http://www.artsci.utoronto.ca/osai> for more details. *I strongly believe in fairness and any students suspected 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, unfortunately, not a defense.*

¹ The differences between the 3rd and 4th ed. are summarized [here](#). I have no experience with the earlier editions, the same advice about checking coverage applies to them as well. When I post question numbers for the problem sets or refer to text material in the class I will use the 4th ed. For convenience.

Use of Turnitin Your writing assignments must be submitted to [Turnitin.com](https://www.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”.

EVALUATION

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

First Half : May 7-June 13

Test	Weight	Date	Time	Location
In-class writing assignment	8%	28-May	10:10 AM	TBA
Midterm 1	20%	Final exam period Jun 19-26, determined by A&S		
Weekly Homeworks	5%	On problem set		Online- MyEconLab*

Second Half : Jul 3-Aug 11

Test	Weight	Date	Time	Location
Take home writing Assignment	12%	17-Jul	10:00 AM	Online
Midterm 2	20%	25-Jul	10:10 AM	TBA
Weekly Homeworks	5%	On problem set		Online- MyEconLab*
Final	30%	Final exam period Aug 16-22, determined by A&S		

* Paid registration required. Please see Quercus for details

Tests Exact coverage will be posted before each test. Course concepts build on prior material so you cannot completely ignore it even if it is not included. The final is **cumulative** and will cover all the material from the summer.

In-class Writing Assignment 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-solving².

There will be **one individual writing assignment per half, one in-class and one take-home**. Further details will be provided in-class and on Quercus.

MyEconLab Homeworks Due dates and times are listed on the problem set (with reminders on Quercus) and cannot be completed once the due date has passed: they will be due just before class on each Tuesday beginning in week 2. **No extensions** are granted for any reason (illness, computer problems etc.). Five questions will be assigned each week and each correct answer counts for 0.2% of your final grade. You get only one try for each question, but you are free to use the “help me solve this” function if you have trouble. On the Thursday following the due date, the math TAs will walk you through each of the assigned problems during the tutorial. You will receive an additional 0.25% for each tutorial you attend (meaning it’s possible to score up to up to 13/10 on the “homeworks” part of the course).

HOW TO SUCCEED IN THIS COURSE

- **Put in the time, consistently:** Plan to spend 8-10 hours per lecture on this course³. 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.

² Crowe, D., & Youga, J. (1986). Using writing as a tool for learning economics. *The Journal of Economic Education*, 17(3), 218-222.

³ 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. Over summer this doubles due to the accelerated pace.

- **Use the time effectively:** Form a study group. 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 and 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 or someone else's lecture notes 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!

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 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: Summer 2019 Missed Test".
 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.
- 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 Quercus. We will re-read your entire exam so your mark could go up, down or remain unchanged.
- Resources** Students with diverse learning styles and needs are welcome in this course. Please feel free to approach me or Accessibility Services so we can assist you in achieving academic success in this course.
- If you need accessibility services/accommodation please see: <http://www.studentlife.utoronto.ca/as>
- Resources to help you at the UofT are listed at: <https://www.studentlife.utoronto.ca/asc>
- 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://www.artsci.utoronto.ca/newstudents/nextsteps/contact>

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.

Date	Day	Lec	Chapters	Topics
07-May	Tue	1	1,3.3	Introduction and Budget Constraints
08-May	Wed	2	3.1,3.2	Preferences and Utility
09-May	Thu			<i>Tutorial</i>
14-May	Tue	3	3.4	Choice
15-May	Wed	4	4.1,4.2	Demand and Income Effects
16-May	Thu			<i>Tutorial</i>
21-May	Tue	5	4.3,4.4	Substitution Effects
22-May	Wed	6	5.4,2.5	Labor Supply, Elasticities
23-May	Thu			<i>Tutorial</i>
28-May	Tue			In-class Writing
29-May	Wed	7	5.1-5.3	Consumer Surplus
30-May	Thu	8	5.1-5.3	Finish Consumer Surplus / <i>Tutorial</i>
04-Jun	Tue	9	16.1-16.3	Uncertainty
05-Jun	Wed	10	6	Production
06-Jun	Thu			<i>Tutorial</i>
11-Jun	Tue	11	7 (exclude 7.5)	Cost Minimization and Cost curves
12-Jun	Wed	12	8.1-8.3,15.1	Profit Maximization and Factor Demand
13-Jun	Thu			<i>Tutorial</i>
June 19-26				Midterm 1
02-July	Tue	13	2.1-2.4, 8.4-9.2	Perfect Competition
03-July	Wed	14	2.6-2.8, 9.3-9.5	Welfare and Distortions
04-July	Thu			<i>Writing Tutorial</i>
9-July	Tue	15	10.1-10.3	General Equilibrium
10-July	Wed	16	11	Monopoly and Monopsony
11-July	Thu			<i>Tutorial</i>
16-July	Tue	17	12	Price Discrimination (Writing Assignment Due)
17-July	Wed	18	13.1	Game Theory – Static Games
18-July	Thu			<i>Tutorial</i>
23-July	Tue			Midterm 2
24-July	Wed	19	13.2	Game Theory – Dynamic Games
25-July	Thu	20	14.1-14.3	Cournot Model of Oligopoly
30-August	Tue	21	14.4-14.5	Bertrand and Stackelberg Models of Oligopoly
31-August	Wed	22	17.1-17.5	Externalities
01-August	Thu			<i>Tutorial</i>
06-August	Tue	23	17.6	Public Goods

07-August	Wed	24	18.1-18.3, 19.1-19.2	Adverse Selection and Moral Hazard
08-August	Thu			<i>Tutorial</i>
15-22 August				Final