
Eco 206Y1Y L101: Microeconomic Theory, Summer 2020

Prof. Turner, Department of Economics, University of Toronto

Course Description Microeconomics studies an individual's decision-making behavior and the patterns that result when individuals interact in a market. In this course, we will flesh out what you learned in Eco 101 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.

Remote Delivery ECO 206 is different this summer!

- Because of the Covid 19 quarantine, we will not have weekly lectures like we usually would and instead the material will be delivered remotely
- Instead, you will need to follow along with the course on your own. This has positives (flexibility) and negatives (less structure) that potentially present challenges
- We will provide you with the materials, and contact opportunities, but it is up to you to figure out what works best: do you prefer to read the slides and textbook? Listen to the prerecorded lectures (i.e. the narrated slides)? What time of day works best for studying? Do remote group chats work for you?
- You are strongly encouraged to use Piazza, our course discussion site, to talk to each other and with the instructor and TAs, to ask for help and identify the aspects of the course you need to focus on. The instructor (Laura) and TAs will access Piazza during the week to answer questions.
- We will meet for group Q&As on Wednesday mornings via MS Teams through Quercus.

Details will be provided on Quercus. The TAs will also host a live group session on Thursdays to cover weekly tutorial materials which complement the lectures. Attendance at the Wednesdays and Thursday live sessions is optional.

- Some live appearances are mandatory however. Evaluation will be the same as in normal summers, which requires attending an “in class” writing assignment in the first half of the course and a midterm in the second half, both during what would normally be class time. Make ups will be provided during the same day for those who have time zone or internet problems.

COURSE INFORMATION – MAY 4 TO AUG 8, 2019

Schedule of weekly events

| Section | Weekly schedule of material delivery and meetings | Tests and assignments |
|-------------|---|--|
| L101 | <p>Course notes for the week go online the Sunday night at the start of each week</p> <p>Audio-enhanced versions of the slides (“lecture slides”) go online Monday and Tuesdays during the day. This will consist of between 6 and 8 mp4 files per week, each approximately 15-25 minutes long.</p> <p>Prof office hours on Monday from 1pm-3pm via individual online appointment</p> <p>Piazza is available at all times to discuss the material and raise questions for online group discussions; we will provide answers to questions intermittently</p> <p>Group Q&A with the prof from 11:10am-12 noon Wednesday via MS Teams to discuss questions about the week's material</p> <p>Tutorial material goes online Tuesday evening or Wednesday during the day</p> <p>Group Q&A with the relevant TA from 11:10am-12 noon (approximately; some tutorials may run longer) on Thursdays to discuss questions about the week's tutorial material</p> <p>This schedule will be altered in week 4 and week 10, during which we will write our “in class” writing assignment and midterm 2 respectively on Wednesday from 10am-12pm. These weeks the instructor Q&A is moved to Thursdays and there is no Q&A with the TAs.</p> | <p>Weekly homework goes online Wednesdays at 4pm</p> <p>Homeworks are due Tuesday mornings at 10am, via MyEconLab/ Quercus/ Turnitin</p> <p>Week 4: two-hour “in-class” writing assignment on Wednesday 10am-12pm</p> <p>Week 10: two-hour “in-class” midterm on Wednesday 10am-12pm</p> <p>Live tutorial will be cancelled those weeks and instructor Q&A live session moved to Thursday 11:10-12pm.</p> <p>Midterm #1 and the final exam will be held during the university assessment period in June and August respectively; dates TBA</p> |

Contact Information

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TAs:

Math and problem sets:, Alexandre Lehoux alexandre.lehoux@mail.utoronto.ca,

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Writing: En Hua Hu enhua.hu@mail.utoronto.ca and Marc-Antoine Chatelain marc.chatelain@mail.utoronto.ca

Office Hours **Prof. Turner:** Mondays 1:00pm-3:00pm via appointment or drop-in on MS Teams, with additional office hours to be held (times TBA) before major assessments. **TAs:** TA office hours will be held prior to each of the two midterms and the final (times TBA). Extended office hours (times TBA) with the writing TAs will be held prior to the due date for the both of the writing assignments.

You are also encouraged to use Piazza for conversation both with each other and the the instructor and TAs. You are encouraged to post follow up questions to the tutorials and the TA who hosted the tutorial will engage your questions (where possible) on Piazza. You can also post questions to Prof Turner that you would like her to address in the Wednesday online group seminar, for instance clarifications of the slides or audio files.

Links **Course website:** Quercus site

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

Piazza: <https://piazza.com/utoronto.ca/summer2021/eco206>

Required Text *Microeconomics: Theory and Applications with Calculus, 5th Ed.* by Jeffrey M. Perloff. You can use earlier editions as long as you note any differences in coverage. However, you can't avoid access to MyEconLab (which you will find useful based on previous experience) and this requires you to buy the e-text with it. **You are strongly encouraged to simply buy the online edition of the textbook with MyEconLab access.** You should purchase from the University of Toronto bookstore since a discount is available relative to purchasing directly from the publisher.

Required Graded Homework Getting comfortable with the math in this class requires regular practice with feedback. We will be using [MyEconLab](#) for online weekly homeworks. (Seven out of 10 of the homeworks will be via MyEconLab). Its online study plan provides extra problems as well.

Registration instructions are provided in "Course Information" on Quercus. Homeworks will be assigned at 4pm each Wednesday and due the following Tuesday at 10am.

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 (Laura) 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 Academic Integrity is central to a UofT education. We take it seriously and so should you.

Integrity 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.*

Use of Turnitin Your writing assignments must be submitted to [Turnitin.com](http://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 4-June 11

| Test | Weight | Date | Time |
|-----------------------------|--------|--|-------------------------------|
| In-class writing assignment | 8% | 26-May | 10:00AM-12:00PM |
| Midterm 1 | 20% | Final exam period Jun 17-25, determined by A&S | |
| Weekly Homeworks | 5% | On problem set | Online- MyEconLab and Quercus |

Second Half : Jul 6-Aug 15

| Test | Weight | Date | Time |
|------------------------------|--------|--|-------------------------------|
| Take home writing Assignment | 12% | 21-Jul | 10:00 AM |
| Midterm 2 | 20% | 28-Jul | 10:00AM-12:00 PM |
| Weekly Homeworks | 5% | On problem set | Online- MyEconLab and Quercus |
| Final | 30% | Final exam period Aug 19-27, determined by A&S | |

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.

Tests will be written "live" with files submitted through Quercus. If internet failures (or extreme time differences) prevent you from writing a "live" test at the scheduled time, a make up is available the same day.

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-solving¹.

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 and Written 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 at 10am each Tuesday beginning in week 2. **No extensions** are granted for any reason (illness, computer problems etc.). Six questions will be assigned each week and each correct answer counts for 0.2% of your final grade (you two total bonus points are available over the semester). You get two tries for each question. For our paper assignments, the math TAs will post answers, with step-by-step solutions where applicable, on the Tuesday evening following the due date.

Homeworks will be assigned each Wednesday at 4pm and are due the following Tuesday at 10am. **No extensions** are granted for any reason (illness, computer problems etc.). Six questions will be assigned each week and each correct answer counts for 0.2% of your final grade. For the written homeworks, the math TAs will provide solutions and can also discuss them if you want during the Q&A session. It's possible to score up to up to 12/10 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 course. 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. 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 every week, attend the group drop-in sessions with questions, and be ready to 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

¹Crowe, D., & Youga, J. (1986). Using writing as a tool for learning economics. *The Journal of Economic Education*, 17(3), 218-222.

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 - practice, practice, practice! 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 2020 Missed Test".
4. It explains concisely (less than 100 words) why you are not able to take the exam.
5. 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"
6. This sentence should be followed by your FULL NAME and STUDENT NUMBER.

Step 2: You will get an email within 5 business days of the missed exam with the details of the make-up test.

Step 3: 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: If technical difficulties (or time zone problems) arise during an "in class" test or assignment, you will have the option to write later the same day so long as you indicate your problem to the instructor before or shortly after the start of the test.

Regrade Requests Requests for re-grades will be accepted up to two weeks after term work is returned. Please make your request by email. We will re-read your entire exam so your mark could go up, down or remain unchanged. Where possible, we will assign a different grader to the regrade than graded the original submission.

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 206.

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 | Week | Lec | Chapters | Topics |
|--------|-----|------|-----|----------|-------------------------------------|
| 04-May | Tue | 1 | 1 | 1,3.3 | Introduction and Budget Constraints |

| | | | | | |
|---------------|-----|----|----|------------------|---|
| 05-May | Wed | 1 | 2 | 3.1,3.2 | Preferences and Utility |
| 06-May | Thu | 1 | | | <i>Tutorial</i> |
| 11-May | Tue | 2 | 3 | 3.4 | Choice I |
| 12-May | Wed | 2 | 4 | 3.4-3.5 | Choice II |
| 13-May | Thu | 2 | | | <i>Tutorial</i> |
| 18-May | Tue | 3 | 5 | 4.1 | Demand and Income Effects |
| 19-May | Wed | 3 | 6 | 4.1-4.2 | Substitution Effects I |
| 20-May | Thu | 3 | | | <i>Tutorial</i> |
| 25-May | Tue | 4 | | 4.1-4.2 | Substitution Effects II |
| 26-May | Wed | 4 | 7 | | In-class Writing |
| 27-May | Thu | 4 | 8 | 4.3,2.5 | Elasticities |
| 01-Jun | Tue | 5 | 9 | 5.1-5.2 | Consumer Surplus I |
| 02-Jun | Wed | 5 | 10 | 5.3 | Consumer Surplus II |
| 03-Jun | Thu | 5 | | | <i>Tutorial</i> |
| 08-Jun | Tue | 6 | 11 | 5.4 | Individual labour supply |
| 09-Jun | Wed | 6 | 12 | 16.1-16.3 | Uncertainty |
| 10-Jun | Thu | 6 | | | <i>Tutorial</i> |
| June 17 to 25 | | | | | Midterm 1 |
| 06-July | Tue | 7 | 13 | 6 | Production |
| 07-July | Wed | 7 | 14 | 7 (exclude 7.5) | Cost Minimization and Cost curves |
| 08-July | Thu | 7 | | | <i>Writing Tutorial</i> |
| 13-Jun | Tue | 8 | 15 | 8.1-8.3,15.1 | Profit Maximization and Factor Demand |
| 14-July | Wed | 8 | 16 | 2.1-2.4, 8.4-9.2 | Perfect Competition |
| 15-July | Thu | 8 | | | <i>Tutorial</i> |
| 20-July | Tue | 9 | 17 | 2.6-2.8, 9.3-9.5 | Welfare and Distortions |
| 21-July | Wed | 9 | 18 | 10.1-10.5 | General Equilibrium (Writing assignment due) |
| 22-July | Thu | 9 | | | <i>Tutorial</i> |
| 27-July | Tue | 10 | | | Monopoly and Monopsony |
| 28-July | Wed | 10 | 19 | 11 | Midterm 2 |
| 29-July | Thu | 10 | 20 | 12.1-12.2 | Price Discrimination |
| 03-Aug | Tue | 11 | 21 | 13.1 | Game Theory – Static Games |
| 04-Aug | Wed | 11 | 22 | 13.2, 14.1 | Game Theory – Dynamic Games |
| 05-Aug | Thu | 11 | | | <i>Tutorial</i> |
| 10-Aug | Tue | 12 | 20 | 17.1-17.5 | Externalities |
| 11-Aug | Wed | 12 | 21 | 17.6 | Public Goods |
| 12-Aug | Thu | 12 | | | <i>Tutorial</i> |
| 19-27 Aug | | | | | Final |