
ECO206Y1Y: Microeconomic Theory, Fall 2021 - Winter 2022

Profs. Freitas, Department of Economics, University of Toronto

Course Website :<https://q.utoronto.ca/courses/237107>

Course Email: eco206@utoronto.ca See Section 1.5

This is an in-person course. Details on how and when we meet will be posted on [Quercus](#). While we have done our best to anticipate and address problems, unfortunately, with a pandemic, things can change, often without much notice. Communication is key (see 1.5). We will use Quercus as a primary means of communication. Please adjust your [notification settings](#) to keep up with important course information and check the Quercus site and announcements regularly.

Please read the Uoft's in-class guidelines. The guidelines are in place to keep us safe and healthy. We count on your cooperation.

We are very excited to have you in ECO206! This year may feel different and you may be nervous because of the uncertainty. Working together we can try to make this the best possible learning experience, despite any curveballs from changing circumstances.

1 Course Overview

Microeconomics studies how individuals make choices and the patterns that result when they interact in a market. This course builds on ECO 101 concepts to develop a deeper, more nuanced understanding. You will learn when and how to use the basic optimization tools of the field to answer questions. Math will help us get precise and discipline our logic. Writing will help us understand and communicate the reasoning and intuition behind the math. Our goal is to equip you with the methods and concepts that will help you be successful in upper-level courses and beyond. Microeconomics is best learned (and is a lot more fun) when you use it regularly to ask and answer questions, and solve problems. We hope you will actively take part in the course and engage with the material.

1.1 Learning Objectives

If you successfully complete this course you will be able to:

- Explain the basic concepts of Microeconomics using math, graphs and clear English.
- Use constrained optimization techniques proficiently.
- Problem-solve using course concepts—i.e. Given a question you have not seen before, you should be able to identify objectives and constraints, choose the appropriate solution strategy, use it correctly to solve for the answer, and explain and interpret your result.
- Critically evaluate economic arguments—i.e. Identify the logic behind them, identify explicit and implicit assumptions, evaluate strength and correctness of economic reasoning, and communicate this.
- Apply course concepts to a real-world or hypothetical situation or policy.
 - Identify essential features, choose an appropriate framework, check if required assumptions hold.
 - Generate different arguments and choose one based on a set of defensible criteria, preferably using supporting evidence.
 - Conduct well-structured, logically consistent economic analysis; and communicate this precisely in clear English.

1.2 Prerequisites

You will be dropped from the course by a department administrator if you do not have the required prerequisites. We cannot waive them. We 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>

1.3 Important Dates

All graded work is considered individual work unless explicitly specified otherwise.

* These are tentative Midterm dates and Writing Assignment due dates. Actual dates could be plus or minus a few days/weeks as circumstances, room availability and public health guidelines may change which could result in date or time changes. Please check Quercus regularly for the latest information.

| Term Work | Weight | Date |
|----------------------|--------|-----------------------|
| Weekly Writing | 10% | Weekly, see section 2 |
| Writing Assignment 1 | 10% | Oct 20, 7pm* |
| Midterm 1 | 15% | Nov 17* |
| Writing Assignment 2 | 10% | Dec 8, 7pm* |
| Midterm 2 | 15% | Jan 26* |
| Midterm 3 | 15% | Mar 23* |
| Final Exam | 25% | Final exam period |

Designing assessments in a year-long course with so much uncertainty is very difficult. I understand that for many reasons, some entirely outside your control, some term tests may go better than others so a degree of forgiveness in the grading scheme helps minimize the impact of such events. On the other hand re-weighting schemes put more stress on students who are already doing badly as they count on a high grade in a more heavily weighted future test. In an environment of uncertainty we don't know what our circumstances will be in the future. Schemes that allow for tests to be dropped usually have more assessments which increases the workload. The grading scheme above, while not perfect, is my best attempt to reduce and balance your workload across the year without making each piece count for too much of your grade. It is based on last year's experience and student feedback. We will work with you during the year to help you do your best in every piece of term work.

1.4 Required Materials

- **Required Text:** *Microeconomics: Theory and Applications with Calculus, 5th Ed.* by Jeffrey M. Perloff. The latest edition is available only in e-text format. Details on purchasing and registering your e-text are on Quercus. We will not use MyEconLab this year. We may post additional readings during the semester.
- Optional: Piazza. Free and accessed through Quercus.

1.5 Communication

This is a large course and while we would like to correspond with each of you individually, that can get out of hand quite quickly. To help us make this process efficient, please follow the guidelines below. This will allow us to answer all your questions and also have time to work on making the course better.

- **Piazza:** This is an online discussion board. If you have content related questions or questions of general interest, check here to see if it has been answered and if not, ask it here. This way all students can benefit from the answer. If you know the answer to someone else's questions, please respond. Piazza can help you all learn together. The TAs and I will monitor it for appropriate behaviour and administration questions, but it is primarily for student-to-student interaction like an online study group and not a substitute for our office hours. If you want a personal answer to your question from us, stop by office hours.

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- **Course email:** eco206@utoronto.ca. Use this email for all course-related questions. For example: questions regarding **individual issues** about Accessibility accommodations, Quercus quizzes, assessments, etc. Emails about course content will be redirected to the discussion boards and office hours.
 - **Prof. Freitas:** k.freitas@utoronto.ca. Use this email for course problems that require immediate attention (e.g broken links etc.) or for personal problems.

You should only email us from your UofT email or via Quercus as we will ignore any other email addresses (e.g. gmail etc.). Please include ECO206 in the subject line and your student number at the end of every email. It helps us find correspondence with you efficiently. If we can answer your email briefly, we will try to respond to within 3 business days. If you do not get a reply please check Quercus, the syllabus or drop by office hours.

1.6 Academic Integrity

Academic Integrity is central to an UofT education. We will do our best to maintain the integrity of the learning experience. Sometimes you may feel like taking shortcuts because you are don't understand the material, are stressed or overworked, don't have time, not doing well, etc. Please don't do it. Come see us during Office Hours instead, or go your [registrar](#). We report all suspected cases of academic dishonesty to the Department of Economics and SAI. The consequences can be very severe. It is not worth it.

- **Do your own work.** We design course work to develop and assess skills useful in upper-level courses and the job market. You lose a valuable opportunity to develop these skills and lower the value of the UofT brand when you cheat.
- **Properly acknowledge other people's ideas.** You'd want the same for your ideas.
- **Ask if you're unsure.** Unless explicitly told otherwise, assume that all work is **individual work**. Unless explicitly allowed, you CANNOT discuss ANY graded work with ANYONE–this includes classmates, friends, family, tutors (paid or unpaid), neighbours, literally anyone. Checking websites for answers, posting your work for others to use, collaborating, soliciting/receiving answers, stating false or misleading information related to assessments, etc., are examples of actions violate Academic Integrity. Unintentional mistakes or confusion is not a defence.
- **Report** any suspected violations by other students to the professor immediately. Students who cheat, hurt others who work hard and honestly. Maintaining the Academic Integrity of the course is a shared responsibility; do your part.
- Read the University of Toronto's **Code of Behavior on Academic Matters**. This is especially important if you're new to the UofT. See: <http://www.artsci.utoronto.ca/osai>.

1.7 Need Help?

While it may feel like you're the only one struggling, it is not true. Trust me. Instead of trying to figure out things yourself, reach out right away. Help is available. Don't wait till things get to a crisis point.

1.7.1 Office hours

If you're struggling with the material, we can help. As you work through the course material, you should have questions (if not, you're not working through the material carefully enough). Write them all down. You can post them on Piazza or if you want an in-person answer bring them to office hours. You're welcome to stop by even if you don't have questions. You can learn from the questions asked, make connections with your classmates or just say hello. The best part of teaching is getting to know you better and with large classes, office hours is a good way of making individual connections. **Please check [Quercus](#) for the latest schedule.**

Additional Resource: [The Economics Study Center](#). It is staffed by undergraduate students like you. They are not course TAs but have taken and done well in Econ courses.

1.7.2 Your Registrar

For issues that last more than a few days or affect your performance across many courses, [your registrar](#) can help. They can also advise you on course selections, university regulations and connect you with university resources in case you are having trouble. They are important partners in ECO101 and we rely on their expertise a lot. We strongly recommend you get to know your advisor.

1.7.3 Other help

- [Mental Health Resources](#) at the UofT. Please don't wait until you are in a crisis. University is difficult and sometimes we all need a little help. Please reach out and talk to someone. The MySSP app is linked in Quercus as well (left-hand tab).
- A common thing I hear from student is that they are spending a lot of time on the material, but it is not translating into higher grades. In most cases, it is because they are using ineffective study habits or bad time management. I strongly urge you to reach out to learning strategists in the [Academic Success Center](#) or in the [Rotman Commerce office](#) at the start of the semester. They can help you make the time you spend on ECO206 more productive.

1.8 Accessibility Accommodations

If you require accommodations, please register with [Accessibility Services](#) (AS). If you need testing accommodations (e.g. extra time on a timed quiz) please register with [ATS](#) (formerly TES) and they will send us the testing accommodations directly. Contact your accessibility advisor if you have any questions about how to do this. Every student is different and we are not experts. We rely on AS and ATS to determine what is appropriate for you and then we work hard to ensure your needs are met.

2 Course Structure and Evaluation

2.1 Course Material

- **Videos:** For each topic, I will post videos and a handout with the slides I use. Watch them before class so you can get the most out of our class sessions. The slides are **not lecture notes and are not a substitute for reading the textbook, doing the problem sets or making your own notes**. You will need to supplement them with your own notes for them to be effective study aids. I will not post marked up slides.
- **Ungraded Problem Sets:** For every topic, we will post ungraded problem sets. They are important learning resources that complement the lecture videos and textbook. If you want additional problems, all past exams for the course are posted on Quercus and you can use them for practice. The textbook, videos and class sessions introduce you to the concepts and highlight important nuances. The problem sets work you through examples. They have detailed explanations that allow you to work through them at your own pace with support. Just skimming through the answers is a bad idea. Learning happens when you try the questions without looking at the solutions. Write out your answers with all the steps of your working. If you are stuck, go back to the text and lecture videos and see what concepts you can use to move forward, post your questions on Piazza explaining what you tried, stop by office hours, talk to your study group. The very last step should be to check the solutions.

2.2 Meetings

Please check Quercus for the latest meeting information as things could change over the semester depending on circumstances and public health guidelines.

Thursday Class sessions: Microeconomics is best learned by doing. Employers need you to use your education to solve new problems, specific to their company and context. You cannot develop these skills by memorization, it requires regular, deliberate practice. During the class sessions we will get your started on developing your problem-solving and application skills by working together. You will have to continue the process with independent work using problem sets etc. Over the years I've found myself giving the same advice on how to approach problems and study in ECO206 in office hours and usually after students have done badly. I want to take advantage of this opportunity to try and work with all of you from the first day to put this advice into

action and help all of you do your best. My advice requires *you* to do the work and get feedback. We can do this together during the class sessions.

Wednesday Tutorials: During the tutorial, the TAs will solve questions. We encourage you to try the posted tutorial questions before attending and take your questions and work to your tutorial. Tests are held during tutorial time so you are expected to be available then.

Why in-person? After a year of teaching online, I strongly believe that a lot of learning happens when human beings interact. We are social beings and we learn so much from each other. Being in the same space physically makes it easier for this learning to take place. In person tests reduce academic integrity problems.

We need you to help us create a safe and welcoming atmosphere. Follow the guidelines meant to reduce the spread of COVID-19. Make your classmates feel comfortable enough to ask any question without embarrassment and listen to their points of view. We have so much to learn from each other. Be kind.

2.3 Weekly Writing

We will use the weekly writing for two purposes. First, to give you regular practice that helps you build the skills you need for the writing assessments. Second, to build your conceptual knowledge so you can do better on the tests. It will be graded coarsely. Due dates are on the Weekly Writing and you will typically have a few days to complete it.

2.4 Writing Assignments

The ability to apply your skills and communicate your economic analysis is a [valuable workplace skill](#). The writing assessments will develop and assess this ability. Further details, including late penalties will be posted on Quercus. You are required to submit your term work to the university's plagiarism detection tool.

"Normally, students will be required to submit their course essays to the University's plagiarism detection tool 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 tool's reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of this tool are described on the Centre for Teaching Support & Innovation web site (<https://uoft.me/pdt-faq>)."

2.5 Midterms and Final

Details on the midterms and final, including format and coverage will be posted on Quercus. The final exam is cumulative.

2.5.1 Regrades

Regrade requests are to be made via an MS form available on Quercus. It will open one week after the assessment is handed back and closes a week after that. Requests will only be accepted during that period, not before or after and they will be batch processed after the deadline. We will re-read your entire assessment so your mark could go up, down or remain unchanged.

2.6 Missed work

For ongoing any injury, illness, or personal/family problems that last longer than 5 days you must contact your College Registrar immediately <https://future.utoronto.ca/current-students/registrars/>.

2.6.1 Missed Weekly Work

To accommodate any variation across weeks during the semester, for reasons like illness, technology/internet or personal problems, internet issues, religious or extracurricular conflicts, or other reasons, we will drop your lowest two weekly writing scores. No other accommodations for missed work will be provided. As this is weekly work, deadline extensions will only create additional work in the following week which is counterproductive when you are already struggling to keep up. We do not accept *any* late submissions or provide deadline extensions for weekly work for *any* reason.

2.6.2 Missed Tests and Writing Assignments

Writing Assignments can be completed over a few days. Make-ups are needed when you are required to be at a particular place at a particular time, but can't for unforeseen reasons. There are no extensions/make-ups for the writing assessments for any reason (illness, computer problems etc.). If you do not submit a Writing Assignment, you get a grade of zero.

Midterm: Tests are important not just because they are an assessment of your knowledge, but because they serve as feedback for you on your grasp of course knowledge. We have multiple tests so that one test doesn't count for too much of your grade and so that you have time to adjust your study strategies and fix conceptual errors along the way if needed. Any missed tests gets a grade of zero. If you miss a midterm, you need to (1) submit a request to take a make-up via the MS forms on Quercus and (2) provide a copy of your absence declaration form (<https://help.acorn.utoronto.ca/blog/ufaqs/declare-an-absence/>). We do not need a doctor's note or other documentation. There is a **cumulative** make-up towards the end of the year. As per university policy, there is no make-up for the make-up test. You will get zero if you miss the make-up. The final decision to accept any request lies with me or the undergraduate chair. You will get your grades for the make-up after the drop deadline. The format may be different from the class test and could include an oral test component. **The score on the make-up will only substitute for one missed midterm.** If you miss a second midterm, please contact your registrar and you should think about dropping the course.

Final: A&S deals with missed final exams. See http://calendar.artsci.utoronto.ca/Rules_&_Regulations.html

2.7 How to succeed in this course

Put in the time, consistently: Plan to spend 8-10 hours a week on this course¹. 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, 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: You are taking this course to make you a better economist. Make your effort count. Read the material before class and come ready to actively participate and problem solve.

Think about this way, ECO206 gives you a box of blocks. You need to use them to build something to answer a question or solve 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. You need to experiment to know what blocks you have and all the ways they can fit together. 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 better economist and have fun along the way. We look forward to learning with you this year!

2.8 Anticipate Challenges

Please do your best in every piece of graded term work. Do not count on later tests to raise your grades. These are unusual times and as we have learned over the past year, dramatic changes in circumstances for you, the teaching team, and the class/university are possible. All details in this syllabus are subject to change should circumstances change.

2.9 Privacy

We are all expected to respect university privacy and copyright restrictions in this course. Students may not create their own recordings of any live events (e.g. class meetings, tutorials and office hours). If you require an accommodation for a disability, please speak to me first. Downloading, reproducing, posting or sharing any course videos anywhere other than the official course

¹A full time student should spend 40-50 hours a week on coursework. With 5 courses this works out to 8-10 hours a course including lectures and tutorials.

Quercus site for the use of students currently registered in the course is prohibited. Course materials belong to your instructor, the University, and/or other sources depending on the specific facts of each situation, and are protected by copyright. Do not download, copy, or share any course or student materials or videos without the explicit permission of the instructor.

3 List of Topics

This may change over the semester depending on circumstances. Please check Quercus for the latest schedule.

| SEMESTER 1 | | |
|----------------|-----------------|----------------------------------------|
| Week | CH. | TOPIC |
| 1 | 1 & 3.3 | Budget Constraints |
| 2 | 3.1-3.2 | Preferences & Utility |
| 3 | 3.4 | Choice: Constrained Optimization |
| 4 | 4.1-4.2 | Demand & Income Effects |
| 5 | 4.3-4.4 | Income & Substitution Effects |
| 6 | 5.4, 2.5 | Labor Supply, Elasticities |
| 7 | 5.1-5.3 | Consumer Surplus |
| 8 | 5.1-5.3 | Consumer Surplus |
| 9 | 16 | Uncertainty |
| 10 | 6,7 | Production; Cost Minimization |
| 11 | 8, 15.1 | Cost Minimization; Profit Maximization |
| 12 | 2.1-2.4,9.1-9.2 | Perfect Competition |
| December Break | | |

| SEMESTER 2 | | |
|------------|------------------|-----------------------------|
| Week | CH. | TOPIC |
| 13 | 2.6-2.8, 9.3-9.5 | Welfare and Distortions |
| 14 | 10 | General Equilibrium |
| 15 | 11 | Monopoly |
| 16 | 12 | Price Discrimination |
| 17 | 13.1 | Game Theory 1 |
| 18 | 13.2 | Game Theory 2 |
| 19 | 14.1-14.3 | Oligopoly 1 |
| 21 | 14.4-14.5 | Oligopoly 2 |
| 21 | 18 | Adverse Selection |
| 22 | 19 | Moral Hazard |
| 23 | 17 | Externalities; Public Goods |
| 24 | | TBD |