

ECO200Y1Y section L5101

Microeconomic Theory

Syllabus

Li Li

2022 Summer

Key Information

Time: Tuesdays and Thursdays 6:00 pm - 9:00 pm (Toronto time)

Instructor: Li Li; **Email:** eco200.uoft.lili@gmail.com

- This is an **online course**, but **pay attention that there is an IN-PERSON FINAL**.
- **The first lecture is live**, followed by **pre-recorded lectures**. If there is a need for a live lecture later, I will announce on Quercus at least 1 week in advance; these live lectures will be recorded.
- I will post **lecture videos** on **Quercus** (the *Modules* section).
- On **Mondays 9:00 am - 10:00 am (Toronto time)**, I will hold an **office hour** answering students' queries for that week's lecture. The Zoom link will be posted ~15 minutes beforehand.
- This course uses **basic differential calculus**—for instance, you need to know $d \log(x)/dx = 1/x$, $dx^2/dx = 2x$. The math used in this course will be kept minimal and will be covered in class.
- The lecture notes of this course are **self-contained**.

EMAIL POLICY

- Please use the email address eco200.uoft.lili@gmail.com to contact me.
- **Please DO NOT USE Quercus' email system to contact me, even though I will use it for announcements.** Emails that are sent to Quercus or other email addresses will be ignored. I make this email policy because Quercus does not offer a way to search emails by content. It would not be feasible for me to track emails from many students.

ENROLLMENT

- Enrollment is administered **centrally by the university**.
- Please check the **prerequisites** by yourself. (See <https://fas.calendar.utoronto.ca/course/eco200y1>).
- I do not have the authority to make any exceptions regarding the prerequisites.

WHERE TO ASK QUESTIONS?

You can first use the **Quercus discussion board** to ask questions. The TA will be responsible for answering your questions. You can also email the TA. If there are **further doubts**, you can send me email.

TEXTBOOK

The main textbook for this course is:

Hal R. Varian, Intermediate Microeconomics (any edition); W.W Norton & Company, New York.

GRADING POLICY

| Assessment | Coverage | Weight |
|---------------------------------|------------------|--------|
| Problem Set 1 (Group) | Lectures 1-4 | 5% |
| Problem Set 2 (Group) | Lectures 5-8 | 5% |
| Problem Set 3 (Group) | Lectures 9-12 | 5% |
| Online Mid-Term (F Exam Period) | Lectures 1-12 | 25% |
| Problem Set 4 (Group) | Lectures 13-16 | 5% |
| Problem Set 5 (Group) | Lectures 17-20 | 5% |
| Problem Set 6 (Group) | Lectures 21-24 | 5% |
| Writing Assignment (Individual) | Essay | 20% |
| In-Person Final (S Exam Period) | Lectures 13 - 24 | 25% |
| Total | | 100% |

Mid-Term and Final

The mid-term has only ONE version. Past experience suggests that offering two versions of an assessment for accommodating time zone differences induces **cheating**. This would not be fair to the honest students.

Students who miss the mid-term/final for reasonable reasons must **report to me immediately**. In case you miss the mid-term, I will consider relocating your marks to the final.

Some students may encounter **technical issues** in their submission of the online mid-term. If that is the case, please **SEND ME YOUR SUBMISSION BY EMAIL IMMEDIATELY** at **eco200.uoft.lili@gmail.com AS A PDF**. If you fail to do so, you may get a **zero** for that assessment.

The Mid-Term and Final have a similar format as those of the problem sets, except that **they are an individual assessments**.

The mid-term is **online**. The Crowdmark link will be sent just before the start time. Pay extra attention: The final is **IN-PERSON**.

Group Problem Sets

- The problem sets will be posted on **Crowdmark** as **Group Assignments**. I will also make an announcement on **Quercus** when I distribute a problem set.
- You can form your own group (up to 5 students). In your submission, remember to **write down the names and student numbers of all members**.
- To avoid **free-rider problem**, in case you find out that some member in your group is not working, you are free to switch to another group for the later problem sets.
- Every student in a group should make sure that the submission of **every question** is properly done before the respective deadlines. I will not accept excuses such as "One group member is not working and we didn't know about it before the deadline, so our group is unable to finish the problem set on time."
- Students who are unable to find a group for Problem Set 1 should **notify the instructor**. **The instructor could help assigning them into groups**.
- All the members of a group would get the same mark for a problem set.

Writing Assignment

The writing assignment is to be submitted to Quercus. Its details will be announced separately.

Course Description

This course aims to offer students a basic introduction of **microeconomic (price) theory**. As the name of this course suggests, the theory explains economic behaviors using **prices**. Specifically, we study the following in this course:

1. Individuals (households and firms) make their decisions given a set of available alternatives.
2. The set of available alternatives are specified by prices in the market (and other things).
3. These individuals **optimize their decisions** given the market prices.
4. The optimal decisions of many individuals **determine the market prices** (despite that no individuals can control the prices).
5. Then, we **move beyond this basic framework of the market** and explore **monopoly** and **game theory**.

You should also refer to the **official course description** below:

Theory of markets and prices. Determination of prices through the interaction of the basic economic units, the household as consumer and as supplier of inputs and the business firm as producer and as employer of inputs. The pricing system as the mechanism by which social decisions and allocation of goods are made in a market economy.

Course Outline and Schedule

The below may subject to **minor adjustments**.

| Lecture | Coverage | Time |
|-------------------|-----------------------------------|------------------|
| F Semester | | |
| Lecture 1 | Chapter 1: The Market | <2022-05-10 Tue> |
| Lecture 2 | Chapter 2: Budget Constraint | <2022-05-12 Thu> |
| Lecture 3 | Chapter 3: Preferences | <2022-05-17 Tue> |
| Lecture 4 | Chapter 4,5: Utility and Choice | <2022-05-19 Thu> |
| Lecture 5 | Chapter 6: Demand | <2022-05-24 Tue> |
| Lecture 6 | Chapter 7: Revealed Preferences | <2022-05-26 Thu> |
| Lecture 7 | Chapter 8: Slutsky Equation | <2022-05-31 Tue> |
| Lecture 8 | Chapter 9: Buying and Selling | <2022-06-02 Thu> |
| Lecture 9 | Chapter 10: Inter-temporal Choice | <2022-06-07 Tue> |
| Lecture 10 | Chapter 14: Consumer Surplus | <2022-06-09 Thu> |
| Lecture 11 | Chapter 15,16: Market Demand | <2022-06-14 Tue> |
| Lecture 12 | Chapter 12: Uncertainty | <2022-06-16 Thu> |
| Mid-Term | Lectures 1-12 | F Exam Period |
| S Semester | | |
| Lecture 13 | Chapter 18: Technology | <2022-07-05 Tue> |
| Lecture 14 | Chapter 19: Profit Maximization | <2022-07-07 Thu> |
| Lecture 15 | Chapter 20: Cost Minimization | <2022-07-12 Tue> |
| Lecture 16 | Chapter 21: Cost Curves | <2022-07-14 Thu> |
| Lecture 17 | Chapter 22: Firm Supply | <2022-07-19 Tue> |
| Lecture 18 | Chapter 23: Industry Supply | <2022-07-21 Thu> |
| Lecture 19 | Chapter 31: Exchange | <2022-07-26 Tue> |
| Lecture 20 | Chapter 34: Externalities | <2022-07-28 Thu> |
| Lecture 21 | Chapter 24: Monopoly | <2022-08-02 Tue> |
| Lecture 22 | Chapter 25: Monopoly Behavior | <2022-08-04 Thu> |
| Lecture 23 | Chapter 28: Game Theory | <2022-08-09 Tue> |
| Lecture 24 | Chapter 29: Game Applications | <2022-08-11 Thu> |
| Final | Lectures 13-24 | S Exam Period |

Other Information

Absence declaration

Students are to complete the Absence Declaration form, available to them directly on ACORN, anytime they are absent from academic work. No additional information or documentation is required.

Academic Misconduct

No form of academic misconduct would be tolerated. We will follow strictly the relevant rules and penalties as stated in the academic handbook.

Test Score Appeals

Please email me a short paragraph explaining why you should obtain additional points. If I find that the argument is persuasive, the assessment will be re-graded. **Your score can go up or down.**

Time Zone

All times posted will be in local Toronto time. If you are in a different time zone, please make sure you are aware of Toronto time in relation to your timezone. Errors in calculations are not an acceptable reason to miss deadlines.

Plagiarism Check

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>).

Diversity and Inclusivity Statement

I consider this classroom to be a place where you will be treated with respect, and I welcome individuals of all ages, backgrounds, beliefs, ethnicities, genders, gender identities, gender expressions, national origins, religious affiliations, sexual orientations, ability - and other visible and non-visible differences. All members of this class are expected to contribute to a respectful, welcoming and inclusive environment for

every other member of the class. When sending any communication or participating in discussions, remember that there are real people with feelings on the receiving end. Be kind and treat people the way you would like to be treated.