

Department of Economics
University of Toronto
2008/2009

Prof. Carlos J. Serrano
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ECO 200Y1Y - MICROECONOMIC THEORY

Course web site (Fall Term): http://www.economics.utoronto.ca/serrano/teaching/eco200_fall08/eco200.html

TEXTBOOK: Microeconomics by David Besanko and Ronald R. Braeutigam (3rd edition). Wiley.

LECTURES AND CLASSES: Section L0101 (Afternoon)

Lectures: Wed, 2:10 pm-4pm, Room MP 102
Tutorial: Wed, 4:10pm-5pm, Room MP 102

Section L5101 (Evening)

Lectures: Wed, 6:10 pm-8pm, Room SF 1101
Tutorial: Wed, 8:10pm-9pm, Room SF 1101

INSTRUCTORS: Fall Term: Prof. Carlos J. Serrano. Spring Term: Prof. Junichi Suzuki.

DESCRIPTION OF THE COURSE: 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: This is an approximate outline of the chapters to be covered during the fall term. Some chapters may not be covered in their entirety. Furthermore, some material covered in the lectures might not be included in the book.

| Date | Chapter | Topic |
|---|---------|---|
| <i>Consumer theory</i> | | |
| Week 1 | 3 | Consumer preferences and utility |
| Week 2 | 4 | Consumer choice |
| Week 3 | 4 and 5 | Cont. consumer choice; and optimal choice and demand |
| Week 4 | 5 | Optimal choice and demand |
| <i>Choice of labor and leisure; and intertemporal consumer choice</i> | | |
| Week 5 | 5 | Choice of labor and leisure |
| Week 6.1 | 5 | Choice of labor and leisure; and intertemporal consumer choice |
| <i>Uncertainty and demand for insurance</i> | | |
| Week 6.2 | 15 | Uncertainty |
| Week 7 | - | Demand for insurance |
| <i>Producer theory</i> | | |
| Week 8 | 6 | Inputs and production functions |
| Week 9 | 7 | Costs and cost minimization |
| Week 10 | 8 | Cost curves |
| <i>Competitive markets</i> | | |
| Week 11 | 9 | Perfectly competitive markets; and shutdown rule and supply curve |
| Week 12 | 2, 10 | Competitive markets: applications |

IMPORTANT DATES:

| | |
|--------|---|
| Oct 22 | First term test. Covers ch. 3 – 5 and material covered in lectures on consumer theory, choice of labor and leisure; and intertemporal consumer choice. |
| Dec 3 | Second term test. Covers ch. 2, 15, 6 – 10, and material from lectures on uncertainty and demand for insurance, producer theory, and competitive markets. |

TUTORIALS: A teaching assistant will conduct tutorials for an hour a week. The tutorial will go over previous and forthcoming problems from WileyPLUS, questions from previous exams and general questions.

MARKING SCHEME AND EVALUATION: The final course mark will be based on the following:

- Two mid-term tests during the fall term. - For a total of 22.5% of the total course grade. Term tests in the fall term are 1 hour long. The term tests during the spring term will account for 22.5% of the total course grade. In total, all term tests during the academic year will count towards 45% of the final course grade.

- Graded problem sets on “<http://edugen.wiley.com/edugen/class/cls73802>” (See the handout on WileyPLUS to get started) during the fall term – For a total of 7.5% of the total course grade. Assignments during the spring term will be worth 7.5% of the total course grade. In total, all assignments during the academic year will count towards 15% of the final course grade. I intend that each non-test week during the fall term will have one or more assignments. Each week’s assignments have the same total value (independent of how many problems or assignments in a particular week). Assignment due dates are posted on the assignments. These due dates are firm. The computer does not accept late assignments. If you fail to submit an assignment for whatever reason, including computer malfunction, you will get a zero for that assignment. However, we will not count in your final course mark your worst two assignments over the whole year.

- There will be several case studies during the fall term. You will be given an article to read at home that will be discussed in class. You will be evaluated of this material in the fall term tests or the final exam.

- Final examination – For a total of 40%. This exam will cover the entire course material. This exam is common to all the 200Y sections. Both instructors will submit questions to the exam. Students who miss the final exam must petition the Faculty of Arts and Science for permission to write a deferred examination in the summer.

REGRADEING OF TERM TESTS: Requests for regrades will need to be in writing within *one week* of the term test or problem set being returned. You must submit them to your TA. To ensure consistency, the entire test or problem set will be regraded, not just a single question.

SCHOLASTIC DISHONESTY: According to the Faculty of Arts and Sciences policy, any act of scholastic dishonesty entails a zero for the particular assignment and exam or the course. See the Faculty of Arts and Sciences policies for further details on scholastic dishonesty and related matters.

MISSING EXAM POLICY: If you miss one mid-term test during the fall term, your term test grade will be based on the final exam of the course. You do not have to submit a medical note. If after missing a test you miss another test during the fall term, you will earn a zero on it. You may consider re-taking the course when you are able to complete the required work.

E-MAIL POLICY: I will reply to email within 24 hours, except on weekends, with the following provisions:

- The question should require a one (or two) sentence response (maximum). If it takes more, office hours are the more appropriate venue
- I will never answer emails that request information that can be found on the website or the syllabus
- I will not reply to emails concerning grading. For such matters, office hours are more appropriate

- It is also (strongly) preferable that you use an utoronto email address: My spam filter is set to maximum. Moreover, university policy stipulates a preference for these email addresses.
- Always identify yourself, course and section in your email.
- Please do not send attachments of any kind.
- Please do not submit term work by email.

I should note, however, that I encourage you to provide course feedback and comments via email, if you wish. E-mail policy during the spring term might be different.

PREREQUISITE AND COURSE ENROLMENT POLICY:

ECO100Y1(67%)/ECO105Y1(80%); MAT133Y1/MAT135Y1/MAT137Y1

You must contact Robbie Innes at rinnes@chass.utoronto.ca for enrolment and prerequisite issues.

ECONOMICS STUDY CENTRE: The Centre provides a place where first- and second-year students can meet and study with peer mentors who are selected from the ranks of third- and fourth-year Economics and Commerce students who have taken the same courses, often with the same instructors, in a mutually beneficial peer mentoring program. Students who participate in the Centre have the opportunity to work one-on-one or to form study groups, as well as develop academic and personal skills. The Centre is also a place for students across all four years to meet. The Centre's peer study groups complement the more problem- and test-oriented course tutorials and aid centres that are staffed by graduate students.

The Centre will be open from 2:00-6:00 pm Monday – Friday beginning in late September. Exact times and location will be announced shortly at

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



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- Once you purchase your WileyPLUS registration code, you will need to register for *WileyPLUS* at your class section URL below. Bookmark this URL so you have it for future reference. Once registered, you can access all of your live courses at www.wileyplus.com

To get started, please use the WileyPLUS registration code to register in your Class Section. You will do this by going to the URL listed **make sure you register in the correct Class Section URL!**

<http://edugen.wiley.com/edugen/class/cls73802>

Once you go to the URL, **click on “register” below the email box to start.** Watch this tutorial for more information:

<http://www.wileyplus.com/register>

******IMPORTANT: When you register, you must add your student ID******

Find more helpful information about WileyPLUS at the 1st Day of Class website designed just for YOU!

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