

Eco 206Y1Y: Microeconomic Theory, Fall 2015 – Winter 2016
Prof. Freitas, Department of Economics, University of Toronto

Course Description and Learning Objectives

Economists look at real world economic environments and ask: why do things look the way they do? Trying to understand economic behaviour usually involves steps like: figuring out the essential features of the environment, appropriate tools to use, checking predictions, asking what ifs? etc.

To do this well you need to understand your tools – what are the strengths and weaknesses and when can they be used. You cannot memorize because the details and features could be different across markets and situations. You need to know how to apply them and use them appropriately to solve problems. You need to be able to communicate your reasoning in simple English.

Microeconomics focuses on understanding the individual agent's behavior and the patterns that result when they interact in the market. This course will introduce you to the basic tools of Microeconomic analysis, with an emphasis on the mathematical ones. It will help develop your abstract thinking, analytic and communication skills. Problem solving will be an important part of the course.

By the end of the course, successful students should be able to:

- Understand and explain the basic concepts of Microeconomics using math, graphs and words.
- Master the basic math tools of Microeconomics and use them correctly to solve problems.
- Understand the assumptions and explain how and why model predictions change when they are changed.
- Apply class tools to a wide range of situations, including open ended contexts like popular press articles.
- Communicate any economic analysis precisely, using simple English to various audiences.
- Be able to formulate a well-structured, logically consistent, analysis of /explanation of/opinion on economic matters. This includes being able to:
 - Identify the main features, arguments, claims, evidence, logic and what is essential to them.
 - Correctly identify the class concepts that are used or could be used.
 - Identify the implicit/explicit assumptions.
 - Translate words into a graph and/or mathematical equations and back.
 - Do critical evaluation.

Class Information

Section: Meeting times (location)

L0101: Wed 2-4pm (RW110), Thu 6-8pm: 6-7pm (RW110)

L5101: Wed 6-8pm (RW 117), Thu 6-8pm: 7-8pm (RW 110)

Office hours: Type (location) – day, time

Drop in (GE 106) – Tue 9:30-10:30am

By Appointment only (GE 224) – Fridays 1-2pm. Book at: <https://www.timetrade.com/book/F5XNQ>

Contact: 416-978-2268, k.freitas@utoronto.ca

Class email: eco206.utoronto@gmail.com. Use for all course related questions, see page 4

Course Website: [Portal](#) and <http://freitas.faculty.economics.utoronto.ca/eco206-2/>

TA: Information under the Contacts tab in portal

[Economics Study Center \(GE 110\):](#) Mon – Thu 11-7pm, Fri 11-3pm

Course Materials

Required Textbook: *Microeconomics: Theory and Applications with Calculus, 3rd Ed.* by Jeffrey M. Perloff. A copy is available at the Robart's Course Reserves. The chapters to be covered are listed in the Course Outline. You will get much more out of lectures if you *read them before class*.

Required Graded Online Homework: We will have weekly online homework to be completed on [MyEconLab](#) which requires a paid access card available at the UofT bookstore. Registration instructions will be provided on Portal. 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 (\$106)

Lectures and Tutorials

You are free to attend either section's lecture/tutorials, as long as there is enough space. Lectures will usually be on Wednesdays. Handouts will be posted on Portal. They are **not lecture notes**. I will also *not* be posting marked up slides. Please bring the handouts to class and supplement them with your own notes.

Hour-long tutorials will be held on Thursdays, except for when we have tests. Tests will require the entire 2 hour block. Occasionally we may use the extra hour as additional lecture/tutorial time. During tutorials, the TA will either go over difficult concepts or problems.

Prerequisites

You will be dropped from the course if you do not have the required prerequisites listed at:

http://www.artsandscience.utoronto.ca/ofr/calendar/crs_eco.htm#ECO206Y1

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

This is a math based course and I will expect you to be comfortable with the derivatives, integrals and algebra in the prerequisite courses.

Evaluation

The grade for this class will be based on the term tests below. Please bring a non-programmable calculator and your T-card to all tests. You may be assigned extra readings and/or study materials before tests and exams.

Test	Weight	Date	Time	Location
Midterm 1	20%*	Thu Nov 12	6:10 PM, 90 mins.	EX 100
Midterm 2	20%*	Thu Jan 28	6:10 PM, 90 mins.	EX 100
Midterm 3	20%*	Thu Mar 31	6:10 PM, 90 mins.	EX 310 (L101), EX 320 (L501)
Writing Assignment 1	3%	Thu Nov 26	6:10 PM, 110 mins.	In class, Location TBA
Writing Assignment 2	5%	Thu Feb 11	10:00 AM	Online **
Writing Assignment 3	5%	Thu Mar 17	10:00 AM	Online**
Final	27%	Determined by A&S		
Homework	5%	Weekly	Tue 11:00 PM	Online- MyEconLab***

* The total weight on the midterms will be 55%. The lowest one will count for 15%, the other two 20% each.

** To be submitted on Portal and Turnitin by deadline to count as submitted.

*** Paid registration required. Please see Portal for details.

Midterms and Final: In general midterms are not cumulative. Exact coverage will be posted before each midterm. However, course concepts build on previous material so you cannot completely ignore prior material. The final is **cumulative** and will cover all of the material from the course.

Problem Solving: Microeconomics is best learnt by actively solving problems. We have many ways of getting you to engage with the material and help promote deeper learning.

- *In class:* we will work through some simple problems during lecture. These will be chosen to highlight conceptual issues and important details.
- *Ungraded problem sets:* These will be posted on Portal. They will give you examples of how to apply class tools and help you build your skills which you will need for the tests. There are plenty of past exams for additional problems.
- *Online graded problem sets:* This is the next step where you take off the training wheels and get practice applying your skills to new scenarios. The format is different from the midterms (to allow them to be graded online), however the problems are good. They challenge you and help you identify areas that you need to work on. I strongly recommend the study guides for each chapter. Work through them before doing the problem sets.
 - Problem sets are due on the date and time on the problem set and cannot be completed once the due date has passed. **No extensions** are granted for any reason (illness, computer problems etc.).
 - Your lowest two homework grades will be dropped to account for this.

Assignments

There will be **three individual writing assignments – one in class and two submitted online**. Further details will be provided on Portal. They are an essential part of the course.

When you try to apply your tools to more open-ended real world contexts is when you really become an economist. You learn how to think like an economist and it leads to a deeper understanding of microeconomics. You will have to figure out what are appropriate tools to use, think about the underlying assumptions and consider alternative explanations. You have to examine how economic arguments are formulated and analyzed using class tools. They also help develop your communication skills by making you to explain your reasoning in words and consider the intuition behind the math. For the ones due online, you will need to submit them in **two** ways to avoid the late penalty- on **Portal** and on **Turnitin.com** by the due dates and time above. Check the Assignment Instructions on Portal for more details. **No extensions** are granted for any reason (illness, computer problems etc.) There is a 10 percentage points (out of 100) penalty per 24 hours, per assignment for handing in late assignments. For example, if you hand in two assignments less than 24 hours after the due date, your total penalty for the assignments part will be 10+10=20%.

Class Participation

Every lecture will include problem solving. The primary purpose is to get you **actively engaged** with the material being presented. We will also occasionally be using an online service called [Socrative](#). This will be for non-graded class participation. It is a free service. Please download the app on your phone or bring a wireless enabled laptop to class.

Re-Grades

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 Portal. We will re-read your entire exam so your mark could go up or down or remain unchanged.

Communication -Email, Website and Portal

All course material, past exams, problem sets, assignments etc. will be posted on Portal. You are responsible for checking it regularly. All email communication will be sent to the class list on Portal. We will use the website (<http://freitas.faculty.economics.utoronto.ca/eco206-2/>) to communicate general information and/or announcements.

Questions on the material are best answered in person as they usually cannot be adequately addressed over email. Please see us during office hours or before/after class. If your email can be answered briefly, please send course related emails to eco206.utoronto@gmail.com. If there is something personal or course problems please email me at k.freitas@utoronto.ca. If you do not get a reply please check Portal/the website, syllabus or see us. We will try to respond to within 3 business days.

Missed Tests

Missing a test does not automatically mean that a make-up test will count for your grade. You need to 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 are **cumulative** and will be scheduled at a date and time chosen by the professor with as little as one business days' notice by email. You can only use the make-up to substitute for *one* missed test.

Step 1: Send an email to the professor that follows the format below:

1. It is sent BEFORE the midterm
2. It is sent from your official University of Toronto email address (no gmail etc. email ids)
3. The subject line should be "Eco 206: Fall 2015 Missed Test"
4. It explains concisely (less than 150 words) why you are not able to take the exam – keep the tone appropriate to an academic setting.
5. It lists all your current courses and professors with their contact information.
6. It lists all the course work due for all your classes the week of the class midterm.
7. It explains briefly all the effort you have undertaken to study for Eco 206 and your other courses the week of the midterm or says that you have not done anything.
8. 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"
9. This sentence should be followed by your FULL NAME and STUDENT NUMBER.
10. If documentation is required, I will ask you for it.

Step 2: Check your email for a response with the make-up information. You will get an email within 3 business days of the missed exam. Note: I may follow up with your other professors.

Step 3: Take the make-up exam. 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.

Academic Integrity and Resources

Academic Integrity is taken very seriously. You are expected to know the University of Toronto's [Code of Behavior on Academic Matters](http://www.artsci.utoronto.ca/osai). Please see: <http://www.artsci.utoronto.ca/osai> for more details.

All suspected cases 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 not a defense. Your writing assignments must be submitted to **Turnitin.com**. The University policy on it 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".

If you need accessibility services/accommodation please see: <http://www.accessibility.utoronto.ca/>.

If you need help, please get it as soon as possible. Resources available at the UofT are listed at:

<http://life.utoronto.ca/get-smarter/academic-support/>. For course related issues, please get in touch with us and your College Registrar. If you are having longer run issues or issues outside our course please contact your College Registrar immediately - <http://life.utoronto.ca/get-help/your-registrar/>.

Course Outline

All the material we cover in class, tutorials, textbook, problem sets and homework is considered testable material. All the material in the chapter, including appendices are included unless explicitly excluded.

The course outline below is subject to change depending on the pace we move at during class. You may have to do additional readings which will be posted during the course.

Lec.	Date	Day	Chapters	Material
1	16-Sep	Wed	1, 3.3	Introduction and Budget Constraint
	17-Sep	Thu	Tutorial	
2	23-Sep	Wed	3.1,3.2	Preferences and Utility
	24-Sep	Thu	Tutorial	
3	30-Sep	Wed	3.1,3.2, 3.4	Utility, Choice
	01-Oct	Thu	Tutorial	
4	07-Oct	Wed	3.4, 4.1, 4.2	Choice, Demand
	08-Oct	Thu	Tutorial	
5	14-Oct	Wed	4	Income and Substitution Effects
	15-Oct	Thu	Tutorial	
6	21-Oct	Wed	5.5, 2.5	Labor Supply, Elasticities
	22-Oct	Thu	Tutorial	
7	28-Oct	Wed	5.1-5.4	Consumer Surplus
	29-Oct	Thu	Tutorial	
8	04-Nov	Wed	16	Uncertainty
	05-Nov	Thu	Tutorial	
9	11-Nov	Wed	6	Production
	12-Nov	Thu	MIDTERM 1	Coverage: Lectures 1-8
10	18-Nov	Wed	7	Cost Minimization and Cost curves
	19-Nov	Thu	Tutorial	Writing tutorial in the extra hour
11	25-Nov	Wed	8	Profit Maximization
	26-Nov	Thu		WRITING ASSIGNMENT 1- IN CLASS
12	02-Dec	Wed	15.1	Factor demand
	03-Dec	Thu	Tutorial	

Lec.	Date	Day	Chapters	Material
13	13-Jan	Wed	9	Perfect Competition and Welfare
	14-Jan	Thu	<i>Tutorial</i>	
14	20-Jan	Wed	2	Market Equilibrium
	21-Jan	Thu	<i>Tutorial</i>	
15	27-Jan	Wed	10	General Equilibrium
	28-Jan	Thu	MIDTERM 2	<i>Coverage: Lectures 9-14</i>
16	03-Feb	Wed	11	Monopoly and Monopsony
	04-Feb	Thu	<i>Tutorial</i>	Writing tutorial in the extra hour
17	10-Feb	Wed	12	Price Discrimination
	11-Feb	Thu	<i>Tutorial</i>	WRITING ASSIGNMENT 2 DUE
	17-Feb	Wed	No class	Reading Week
	18-Feb	Thu	No class	Reading Week
18	24-Feb	Wed	13.1	Game Theory
	25-Feb	Thu	<i>Tutorial</i>	
19	02-Mar	Wed	13.2	Game Theory
	03-Mar	Thu	<i>Tutorial</i>	
20	09-Mar	Wed	14	Oligopoly
	10-Mar	Thu	<i>Tutorial</i>	Writing tutorial in the extra hour
21	16-Mar	Wed	14	Oligopoly
	17-Mar	Thu	<i>Tutorial</i>	WRITING ASSIGNMENT 3 DUE
22	23-Mar	Wed	17	Externalities, Public Goods
	24-Mar	Thu	<i>Tutorial</i>	
23	30-Mar	Wed	18	Adverse Selection
	31-Mar	Thu	MIDTERM 3	<i>Coverage: Lectures 15-22</i>
24	06-Apr	Wed	19	Moral Hazard
	07-Apr	Thu	<i>Tutorial</i>	