

YORK UNIVERSITY

LA & PS  
DEPARTMENT OF ECONOMICS

SUMMER 2019 (S2)

AP/ECON 2300.03 M: INTERMEDIATE MICROECONOMIC THEORY I  
MW 15:00 – 18:00, ROOM: CLH H

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Instructor: VASSILIOS BARDIS  
Office Hours: TBA; ROOM ROSS SOUTH 109  
E-mail: [vbardis@yorku.ca](mailto:vbardis@yorku.ca)  
Website: on [moodle.yorku.ca](http://moodle.yorku.ca) (check for announcements, list of topics, handouts, practice questions)

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PREREQUISITES

AP/ECON1000.03 and AP/ECON1010.03 , AP/ECON1530.03 and AP/ECON1540.03, or for students with equivalent preparation, permission of the Chairperson of Economics.

COURSE DESCRIPTION

This course and its continuation (AP/ECON 2350) provide an introduction to microeconomic theory and the analytical tools used in the study of how individuals, households, and firms make decisions given the incentives and constraints of their economic environment. In this half, we will cover topics in consumer theory and its applications, including preferences and utility functions, market and compensated demands, consumption-leisure choice, intertemporal choice and choice under uncertainty. Topics in producer theory include cost minimization in the long and short run, profit maximization, input market demands and product supply.

SOME IMPORTANT DATES

Classes start / end	June 17 / July 29
Examination Period	July 31 – Aug. 9
Last date to add a course without / with permission of instructor	June 21 / June 28
<i>Last date to drop course without receiving a grade</i>	<i>July 15</i>
Course Withdrawal Period (withdraw from a course and receive a “W” on the transcript)	July 16 – July 29

GRADING

The course grade will be based one *midterm test*, worth **35%**, to be held in class on **July 1**, and a *final exam*, worth **65% of the course grade**, to be held during the examination period. The final exam is comprehensive.

There are no makeups for missed term tests. Anyone missing the midterm test will automatically have their final exam reweighted to be worth 100%. If a student receives a higher grade on the final exam than on the midterm test, the final exam grade will be substituted for the lower term grade. If you miss a test/exam, *please email me as soon as possible using your email account in the York system.*

**Students who are unable to write the final exam must follow the steps described on**  
<http://www.yorku.ca/roweb/exams/deferred/>

Observance Dates: Students for whom a term test date coincides with a religious observance must let me know within the first two week of classes. If there is such a conflict with respect to the final exam, students must complete an 'Examination Accommodation Agreement' soon after the final exam date is published. (This form can be obtained from the Registrar's office.)

Course requirement accommodation for students with disabilities, including physical, medical, systemic, learning and psychiatric disabilities <http://www.yorku.ca/secretariat/policies/document.php?document=68>

Reappraisal of Term Work: Reappraisal of students' term work should be completed during the course of the term and prior to the submission of final course grades.

Note on Senate Policy on Academic Honesty: Conduct that violates the ethical or legal standards of the University community or of one's program or specialization may result in serious consequences. Students are encouraged to familiarize themselves with the Senate Policy

Note on the use of Electronic Devices: All electronic devices must be turned off during class. Audio/visual recordings of any type are not allowed. Only simple calculators are allowed during tests and exams.

### TEXTBOOKS (OPTIONAL)

There is no required textbook. There are several good textbooks, including the following:

1. Hal Varian, *Intermediate Microeconomics with Calculus A Modern Approach*, 9<sup>th</sup> Edition, W. W. Norton & Company, Inc. (RECOMMENDED)
2. Walter Nicholson, *Microeconomic Theory : Basic Principles And Extensions*, 9<sup>th</sup> ed. Mason, Ohio : Thomson/South-Western, c2005.
3. Walter Nicholson, Christopher Snyder, *Intermediate Microeconomics And Its Application*, 10<sup>th</sup> ed. Mason, Ohio : Thomson/South-Western, c2007.
4. McAfee, R. Preston (2005) *Introduction to Economic Analysis*. Self-Published , Pasadena, CA. ISBN 160049000X (Unpublished) <http://resolver.caltech.edu/CaltechBOOK:2005.002> (Free Book)

### LIST OF TOPICS (BOOK 1 CHAPTERS APPEAR IN PARENTHESES.)

Introduction (Chapter 1)

Consumer Theory (2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 14, 15)

- Budget Constraint (Chapter 2)
- Preferences, Utility Functions, Indifference Curves, MRS (Chapters 3, 4)
- Utility Maximization and Market Demands (Chapters 5, 6, 15)
- Expenditure Minimization and Compensated Demands (Chapters 7, 8, 14)
- Income and Substitution Effects: The Slutsky Equation (Chapters 7, 8, 14)
- The Endowment Model and Applications (Chapter 9, 10)

Producer Theory (18, 19, 20, 21, 22)

- Production Functions, Isoquants, Marginal Products, Returns to Scale
- Firm Costs, Cost Minimization, Conditional Input Demands, Cost Functions
- Short Run vs Long Run Costs
- Profit Maximization in Input Space and Output Space
- Firm Supply, Profit and Producer Surplus

Market Analysis

- Aggregate Demand (15)
- Aggregate or Industry Supply (24)
- Equilibrium and Efficiency under Perfect Competition (16)