# YORK UNIVERSITY

## LA & PS Department of Economics

#### SUMMER (S2) 2020

## AP/ECON 2300.03 A: INTERMEDIATE MICROECONOMIC THEORY I MW 15:00 – 18:00

Instructor:	VASSILIOS BARDIS
Office Hours:	TBA
E-mail:	vbardis@yorku.ca
Course Website:	Available on <i>moodle.yoku.ca on June 29, 3:00pm</i>

<u>PREREQUISITES</u> AP/ECON1000.03, AP/ECON1010.03 and AP/ECON1530.03 or equivalents <u>PREREQUISITES</u> or <u>COREQUISITES</u> AP/ECON1540.0 or equivalent PRIOR TO FALL 2014: Course credit exclusion: GL/ECON 3230 6.00.

## **COURSE ORGANIZATION**

## (A) Content Delivery

The course content will be delivered *asynchronously* on the course website on Moodle using a combination of the following:

(1) detailed notes/handouts

- (2) notes/handouts accompanied by pre-recorded short videos
- (3) pre-recorded video lectures

These will be posted weekly on the course website on a regular basis but mainly on *Monday* and/or *Wednesday of each week*. They will be complemented by practice sets which will also be posted approximately weekly and by the end of the week.

## (B) Tests and Exams

The following apply to the tests and exams in the course:

- They will be based on (draw from) the material covered in (1), (2) and (3) above and draw from (but not be limited to) the questions in the practice sets.
- They will be available, take place and have to be submitted on the course website on Moodle
- All terms tests will be held and/or have to be submitted during the originally scheduled class times (see below under *Grading* for the specific dates and times).
- The final exam will be held during the examination period, on the date and times scheduled by the University (to be announced).

## (C) Virtual Office Hours

Office hours begin on July 6. Office hours will use Zoom and will be held each week on **Monday and Wednesday**, **3:00pm-4:15pm**. Zoom registration is required. Please follow the Zoom link below to register: https://yorku.zoom.us/meeting/register/tJUtduuupj0jH9ZRV lp uojIaM066MVqq8

## Please note:

1) all handouts and recordings should be used for educational purposes only and as a means for enhancing accessibility;

2) students *do not have permission to duplicate, copy and/or distribute the handouts, practice sets and recordings* outside of the class (these acts can violate not only copyright laws but also <u>FIPPA</u>); and 3) all recordings will be destroyed after the end of classes.

#### **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 29 / August 12
Last date to add a course without / with permission of instructor	July 3 / July 10
Last date to drop course without receiving a grade	July 29
Course Withdrawal Period (withdraw from a course and receive a "W" on the transcript)	July 30 – August 12
Examination Period	August 14- 21

## GRADING

The course grade will be based on term work (worth up to 50%) and a final exam (50%).

#### **Term Work**

## The term work will consist of three online tests, each of the best two worth 25%.

It is expected that each test will be based on all the material covered up to and including the week(s) before the week of the test. The composition of each test will likely rely more heavily on the material covered in approximately the two week period preceding the test date. The test dates are:

Test 1: July 13 (Mon), 4:45pm-5:45pm (based on the material corresponding to June 29, July 6, July 8) Test 2: July 27 (Mon), 4:45pm-5:45pm (based on the material corresponding to July 13, July 15, July 22)) Test 3: Aug.10 (Mon), 4:45pm-5:45pm (based on the material corresponding to July 27, July 29, Aug. 3)

#### Final Exam

The final exam will be comprehensive and will held during the examination period on the date and time scheduled by the University (to be announced).

#### Please note:

Term Tests: There will be <u>no</u> make up term tests.

- If you miss one test: there is no penalty since only your best two test marks count.
- *If you miss two tests*: the weight of the single test you completed will be 35% and the final exam weight will be 65%.
- If you miss three tests: the final exam will be worth 65% and zero will be assigned for each term test missed so that 35% of your grade will be zero.

Final Exam: The opportunity to write a deferred exam will be available to students who are unable to complete the final exam due to reasons beyond their control. After the date of the final exam, there will be an announcement on the course website on how to request deferred standing.

<u>Reappraisal of Term Work</u>: It is strongly recommended that reappraisal of students' term work should be completed during the course of the term and prior to the submission of final course grades.

<u>Note on Senate Policy on Academic Honesty</u>: 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

## 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. (<u>RECOMMENDED</u>)
- 2. Walter Nicholson, *Microeconomic Theory : Basic Principles And Extensions*, **9th ed.** Mason, Ohio : Thomson/South-Western, c2005.
- 3. Walter Nicholson, Christopher Snyder, Intermediate *Microeconomics And Its Application*, 10th ed. Mason, Ohio : Thomson/South-Western, c2007.
- 4. McAfee, R. Preston (2005) *Introduction to Economic Analysis*. Self-Published , Pasadena, CA. ISBN 160049000X (Unpublished) <u>http://resolver.caltech.edu/CaltechBOOK:2005.002</u> (Free Book)

LIST OF TOPICS: Please see the course website on moodle.yorku.ca for the detailed list.

**Consumer Theory** 

- Budget Constraint
- Preferences, Utility Functions, Indifference Curves, MRS
- Utility Maximization and Market Demands
- Expenditure Minimization and Compensated Demands
- Income and Substitution Effects: The Slutsky Equation
- The Endowment Model and Applications

Producer Theory

- 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 and Aggregate or Industry Supply
- Equilibrium and Efficiency under Perfect Competition