

YORK UNIVERSITY

LA & PS
DEPARTMENT OF ECONOMICS

FALL 2021

AP/ECON 2300.03 H: INTERMEDIATE MICROECONOMIC THEORY I
W 14:30 – 17:30

Instructor: VASSILIOS BARDIS
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Course Website: Available on eclass.yorku.ca on the first day of class (Sept. 8)

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

COURSE ORGANIZATION

(A) Content Delivery

There are *no live lectures*. The course content will be delivered *asynchronously as described below* while *term tests and office hours will be held during the official class sessions*.

The course material will be posted weekly on the course website on eClass and will consist of a combination of the following:

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

These will be posted on Wednesday of *each week*. They will be complemented by practice sets which will also be posted approximately weekly and usually 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 also draw from (but not be limited to) questions similar to those in the practice sets.
- They will be available, take place and have to be submitted on the course website on eClass.
- All terms tests will be held and/or have to be submitted during the officially scheduled class 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 will be held on Zoom during the official class sessions. Zoom registration is required. The Zoom link, registration details and the specific times will be available on the course website by the first day of class under “Virtual Office Hours”.

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 [FIPPA](#)); 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	Sept. 8 / Dec. 7
Last date to add a course without / with permission of instructor	Sept. 21 / Oct. 5
<i>Last date to drop course without receiving a grade</i>	<i>Nov. 12</i>
Course Withdrawal Period (withdraw from a course and receive a "W" on the transcript)	Nov. 13 – Dec. 7
Examination Period	Dec. 9 - 23
Fall Reading Week	Oct. 9 - 15
Holiday (University Closed)	Oct. 11

GRADING

The course grade will be based on **two term tests** and a **final exam**.

There are no deferred term tests. There will a deferred final exam for students who qualify (see below).

The course grade will be calculated as follows. Let H and L denote the highest and lowest of the two term test grades and X denote the final exam grade (each grade out of 100). Then the course grade, Y, will be

$$Y = \max (0.25 H + 0.25 L + 0.5 X , .35 H + .65 X, 0.85X).$$

It follows from the above that

- the maximum weight of the term work is 50% and the minimum weight of the final exam is 50%.
- for students who complete both tests, the worst test will be ignored if it benefits the student.
- for students who complete only one of the two tests, the weight of the test is 35% and the final exam weight is 65%. (No penalty for not completing a single test due to technical issues or otherwise.)
- if both tests are *not* completed, then a grade of *zero* will be assigned to 15% of the course grade.
- the weight of the final exam cannot exceed 85%.

Term Work

Each test will have to be completed and/or submitted on the course website during the officially scheduled class times. The composition of each test will rely more heavily on the material covered in the three to four weeks preceding the date of the test.

The term test dates will be posted on the course website on the first week of classes.

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). The opportunity to write a deferred exam will be available to students for whom a religious observance coincides with the date of the final exam or who are unable to complete the exam due to reasons beyond their control. If this applies to you, please email me to let me know. (*After* the date of the final exam, students who did not complete the final exam must request deferred standing by completing the required mach form. This information is available on the department website at

<https://www.yorku.ca/laps/econ/undergraduate-programs/academic-resources/department-policies/deferred-standing/>

Reappraisal of Term Work: 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.

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. Please familiarize yourself with the meaning of academic integrity by completing SPARK's [Academic Integrity module](#) at the beginning of the course. Breaches of academic integrity range from cheating to plagiarism (i.e., the improper crediting of another's work, the representation of another's ideas as your own, etc.). All instances of academic dishonesty in this course will be reported to the appropriate university authorities, and can be punishable according to the [Senate Policy on Academic Honesty](#).

USEFUL COMPUTING LINKS

Below are some useful links for computing information, resources and help:

- Course requirement accommodation for students with disabilities, including physical, medical, systemic, learning and psychiatric disabilities: <https://accessibility.students.yorku.ca/>.
- [Student Guide to Moodle](#)
- [Zoom@YorkU Best Practices](#)
- [Zoom@YorkU User Reference Guide](#)
- [Computing for Students Website](#)
- [Student Guide to eLearning at York University](#)

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*, 9th Edition, W. W. Norton & Company, Inc. (**RECOMMENDED**)
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) <http://resolver.caltech.edu/CaltechBOOK:2005.002> (Free Book)

LIST OF TOPICS (TENTATIVE): 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 Consumer Market Demands
- Expenditure Minimization and Compensated Demands
- Income and Substitution Effects: The Slutsky Equation
- Consumer Welfare Measures: CV, EV and Consumer Surplus Change
- 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