

AP/ECON 2350 Intermediate Microeconomic Theory II
Sections P and Q
Winter 2023
Department of Economics
Faculty of Liberal Arts and Professional Studies
York University

Prerequisites: AP/ECON 2300 3.00 or equivalent. Course credit exclusions: GL/ECON 3230 6.00.

Course Instructor

Name: Matias Cortes
Office: 1088 Vari Hall
Office Hours: Mondays 3:30-4:30pm, or by appointment
Email: gmcortes@yorku.ca

Lecture Time and Location

| | |
|------------------------|------------------------|
| <u>Section P</u> | <u>Section Q</u> |
| Mondays 7:00pm-10:00pm | Fridays 11:30am-2:30pm |
| SLH F | SLH F |

Expanded Course Description

ECON 2350 is a continuation of ECON 2300. The course applies the analytical tools from ECON 2300 to analyze resource allocation in imperfectly competitive markets and factor pricing in alternative market structures. The course also introduces students to concepts and applications of game theory, and considers basic concepts of general equilibrium and externalities.

At the end of the course, students will:

- understand the structure and underlying assumptions of the standard models used in microeconomic analysis and how the models' predictions change when the standard assumptions are relaxed;
- understand the basic tools of game theory and how to apply these to various settings;
- be able to identify and solve constrained optimization problems;
- demonstrate facility with the calculus-based methods used to analyze microeconomic problems;
- be able to explain in non-technical terms the fundamental economic intuition associated with the standard models.

Course Text / Readings

Hal R. Varian, *Intermediate Microeconomics with Calculus*, W.W. Norton & Company.

Theodore C. Bergstrom and Hal R. Varian, *Workouts in Intermediate Microeconomics*, W.W. Norton & Company.

Evaluation

The breakdown of the course grade is as follows:

| | |
|---------------------|-----|
| Assignments | 20% |
| Midterm Exam | 35% |
| Final Exam | 45% |

- The due dates for the **Assignments** will be announced in class. **Late submissions will not be accepted.**
- The **Midterm** will be held during class time. **There will be no make-ups for the midterm exam.** If a student misses the Midterm, **appropriate documentation (e.g. a doctor's note) must be provided within 48 hours of the scheduled Midterm date**; otherwise the student will miss all of the Midterm marks. If the reason for missing the Midterm is deemed to be acceptable by the instructor, the weight from the Midterm will be transferred to the Final Exam, i.e. the Final will account for 80% of the student's final grade.
- The **Final Exam** will take place **during the official exam period (April 12-27)** and will include the material covered during the **entire course**.

Grading, Assignment Submission, Lateness Penalties and Missed Tests

Grading: The grading scheme for the course conforms to the 9-point grading system used in undergraduate programs at York (e.g., A+ = 9, A = 8, B+ = 7, C+ = 5, etc.). Assignments and tests will bear either a letter grade designation or a corresponding number grade (e.g. A+ = 90 to 100, A = 80 to 90, B+ = 75 to 79, etc.)

Assignment Submission: Proper academic performance depends on students doing their work not only well, but on time. Accordingly, assignments for this course must be received on the due date specified for each assignment.

Lateness Penalty: Assignments submitted later than the due date will not be accepted. Exceptions to the lateness penalty for valid reasons such as illness, compassionate grounds, etc., will be considered on a case-by-case basis by the Course Instructor, only when accompanied by supporting documentation (e.g., a doctor's letter).

Missed Tests: **There will be no make-ups for the Midterm Exam.** If a student misses the midterm for a reason deemed acceptable by the instructor, the weight from the midterm will be

transferred to the final exam. Appropriate documentation (e.g. doctor's note) must be provided to the instructor **within 48 hours** of the scheduled exam date in order to transfer the weight from the midterm to the final exam.

A deferral for the **Final Exam** will be granted only for medical reasons. In such cases students should submit a deferred exam application **within 48 hours of the exam time** together with the supporting documents (attending physician's statement) to the Economics Department. The date and time of the deferred exam will be set at a later date. Students who may require further extensions or accommodation will have to submit a formal petition to the Faculty.

Important Course Information for Students

All students are expected to familiarize themselves with the following information, available on the Senate Committee on Academic Standards, Curriculum & Pedagogy webpage (see Reports, Initiatives, Documents): <http://secretariat-policies.info.yorku.ca/>

- Student Rights & Responsibilities
- Academic Accommodation for Students with Disabilities

In this course, we strive to maintain **academic integrity** to the highest extent possible. 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.

Private Third-Party Tutoring Companies, Academic Honesty and Support Resources

Many private, third-party tutoring companies advertise their services to YorkU students. One way you can help eliminate these advertisements is by changing your eClass profile settings to private (see instructions below). Some of these private companies claim to be affiliated with, or recognized and supported by, York University. Some also claim to help you by providing you with quiz and test answers, suggesting that this practice is safe and permitted by York. These claims are **not** true. York University has not officially recognized or endorsed any third-party tutoring service. When you are provided with quiz, test and exam answers, you run the risk of violating the **university's academic honesty policy**. Students have been caught using these services to cheat and gain unfair advantage over honest students. The cheating students and "tutors" have received academic dishonesty punishments ranging from failing courses, to being expelled, to losing their YorkU degrees. Officially supported resources to help students learn course material will be provided by YorkU officials, such as your professors and your department. These services are offered at no cost to you as a student. Your professor will likely provide weekly office help hours to meet with students and if you are a first- or second-year student and would like help with course material, make sure you join one of our weekly **Peer Assisted Study Sessions (PASS)**. If you require help with any of your numeracy-related courses that involve math, statistics or Excel, drop in online to meet with one of our peer tutors at the **Student Numeracy Assistance Centre at Keele (SNACK)**. If you are ever unsure of whether a resource is allowable or endorsed by

YorkU, please feel free to email the Department of Economics at lapsecon@yorku.ca and they would be happy let you know.

To hide your email address in eClass: Step1: Click your name on the top-right of the eClass website, then click “Profile” on the drop-down menu; Step 2: Under “User details” click “Edit profile”; Step 3: From the “Email display” drop-down menu choose “Hide my email address from non-privileged users”; Step 4: Scroll to the bottom of the page and click on the “Update profile” button.

Course Add/Drop Deadlines

Information is available at <https://registrar.yorku.ca/enrol/dates/2022-2023/fall-winter>.

Outline of Topics and Approximate Schedule
The following is a guide to the lecture schedule, time permitting.
Exact dates and coverage may vary.

| Date | Topics | Key Reading |
|-------------------|---------------------------------------|---------------------|
| Jan 9/13 | Imperfect Competition: Monopoly | Varian ch 25 |
| Jan 16/21 | Monopoly Behaviour | Varian ch 26 |
| Jan 23/27 | Imperfect Competition: Factor Markets | Varian ch 27 |
| Jan 30 / Feb 3 | Oligopoly | Varian ch 28 |
| Feb 6/10 | Game Theory | Varian ch 29 |
| Feb 13/17 | Game Applications | Varian ch 30 |
| Feb 20/24 | Reading Week – No Class | |
| Feb 27 / Mar 3 | Midterm | |
| Mar 6/10 | General Equilibrium: Exchange | Varian ch 32 |
| Mar 13/17 | General Equilibrium: Production | Varian ch 33 |
| Mar 20/24 | Externalities and Public Goods | Varian ch 35, ch 37 |
| Mar 27/31 | Asymmetric Information | Varian ch 38 |
| Apr 3/10 | Overflow and Review | |