

University of Waterloo
Department of Economics
Economics 401
Microeconomic Theory 3
Tuesday, Thursday 11:30-12:50, DWE 1502

Course Outline Spring 2017

Instructor Information

Instructor: John Burbidge
Office: HH-125
Office Hours: TTh: 1:00-3:00, or by appointment
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Course web page: <http://artsonline.uwaterloo.ca/jburbidg/>

Course description

The undergraduate calendar description for this course is:

The course considers a number of topics in microeconomics. Possible topics include decision theory, the analysis of uncertainty, principal-agent problems, game and information theory, social choice theory and the coordination of economic activity through prices, quantities, command and coercion.

Prereq: ECON 301; Level at least 3B Honours Economics, Honours Applied Economics, Honours Mathematical Economics (BA and BMATH), Joint Honours Economics, and Science Biotechnology/Economics students

We will study standard models of consumer and producer behavior, the expected utility model, imperfect information problems and game theory. Many of the applications will be optimal tax problems.

Course Goals and Learning Outcomes

Many students find the transition from undergraduate microeconomic theory courses to graduate microeconomic theory courses very difficult. This course aims to make this transition much easier for students who intend to go to graduate school in economics, and, at the same time, put those not going on to graduate school in a better position to read the journals in economics.

Texts

One text for this course is A. Mas-Colell, M.D. Whinston and J.R. Green, 1995, *Microeconomic Theory* (Oxford: Oxford University Press). Much of the material we shall cover is contained in A. Deaton and J. Muellbauer, 1980, *Economics and Consumer Behavior* (Cambridge: Cambridge University Press). In October 2015 Angus Deaton won the 2015 Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel. His web site is here: <http://scholar.princeton.edu/deaton/home>

Topics

Consumer behavior: MWG, chapters 1-3.

Aggregation: MWG, chapter 4.

Firm behavior: MWG, chapter 5.

Uncertainty: MWG, chapter 6.

A brief introduction to game theory: MWG, chapters 7-9.

Evaluation

The final grade will be based on five take-home assignments, two term tests and a final exam.

Assignments (10% of the final grade)

There will be 5 assignments, worth 2% each. The assignments and their due dates will be posted on the course web site, which is stated above. The assignments must be submitted in person in class on their due dates.

In-class tests (30% of the final grade)

There will be two in-class tests, each worth 15% of the final grade. The first test will be held Tuesday May 30th. The second test will be held Tuesday June 27th.

Final Examination (60%)

The final examination will be on the entire term's work and will be scheduled by the Registrar.

There will be no make-up assignments or tests. If a student misses an assignment or a test, and she/he can provide credible documentation for missing the assignment or the test, the weight on the assignment or test will be transferred to the final exam.

Academic integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo community are expected to promote honesty, trust, fairness, respect and responsibility. [Check the Office of Academic Integrity for more information.]

Grievance: A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70, Student Petitions and Grievances, Section 4. When in doubt, please be certain to contact the department's administrative assistant who will provide further assistance.

Discipline: A student is expected to know what constitutes academic integrity to avoid committing an academic offence, and to take responsibility for his/her actions. [Check the Office of Academic Integrity for more information.] A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about "rules" for group work/collaboration should seek guidance from the course instructor, academic advisor, or the undergraduate associate dean. For information on categories of offences and types of penalties, students should refer to Policy 71, Student Discipline. For typical penalties, check Guidelines for the Assessment of Penalties.

Appeals: A decision made or penalty imposed under Policy 70, Student Petitions and Grievances (other than a petition) or Policy 71, Student Discipline may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to Policy 72, Student Appeals.

Note for students with disabilities: AccessAbility Services, located in Needles Hall, Room 1401, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with AccessAbility Services at the beginning of each academic term.

Economics Department Deferred Final Exam Policy

Deferred Final Exam Policy found at <https://uwaterloo.ca/economics/current-undergraduates/policies-and-resources/deferred-final-exam-policy>.