

University of Waterloo
Department of Economics
ECON 290: Models of Choice in Competitive Markets
Spring 2019 – 4:00 – 5:20 MW – RCH 103

Instructor Information

Instructor: Ahmet OZKARDAS

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Office Hours: Monday – Wednesday 12:30 pm – 2pm., or by appointment

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TA: TBA

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General Course Objective

Choice lies at the heart of all economic models. This course focuses on choice by consumers and firms. It explains the notion and use of utility functions and budgets, and shows how their interaction allows economists to make predictions about behaviour. The constrained maximization techniques from ECON 211 are used extensively, and extended to situations covering uncertainty (risk) and time. Profit maximization by firms is explored.

Course Materials

Recommended Text:

This course will be loosely based on *‘Intermediate Microeconomics: a Modern Approach’ (9th edition) by Hal Varian, Norton 2014* (previous editions should work too). The course should also be self-contained. Everything you need will be presented in class and/or available on the class website. The textbooks are useful, recommended, but not required.

Readings Available on LEARN

- Lecture Slides, assignments and assignment solutions will be posted on LEARN.
- Although lecture slides are posted on LEARN, class attendance and note taking are higher importance than usual. If you think you need to miss a class, be sure to arrange for a colleague to be willing to share notes with you.

Course Requirements and Assessment

<i>Assessment</i>	<i>Date of Evaluation (if known)</i>	<i>Weighting</i>
Assignments (4 Assignments)	----	12%
Midterm 1	Monday, June 10 (during the lecture time)	22%
Midterm 2	Monday, July 8 (during the lecture time)	22%
Final Exam	Determined by Registrar’s Office	44%
Total		100%

There will be no adjustments to the above grading scheme. Especially not for an individual student.

Assignments

Assignments will be due at the beginning of class on the due date. **Late assignments are not accepted.** Assignments will be handed out 5-7 days in advance of the due date, while the material is covered in lectures. Due to the extended time for completion, medical notes will usually not be accepted. To give an idea about the due dates, please see the following table:

	<i>Due date</i>
Assignment 1	Monday, June 3
Assignment 2	Monday, June 24
Assignment 3	Monday, July 15
Assignment 4	Monday, July 29

Midterms

Midterms will be held at RCH103 and RCH211, a list for seating will be announced before each midterm. They are closed book, no aids of any kind. The weight of a midterm for which a VIF is accepted will be moved to the other midterm and the final exam in equal parts. If you happen to be sick for both midterms you should consider dropping the course.

Final Exam

The final exam is cumulative and will test all of the material in the course. It is closed book, no aids. The final exam is scheduled by the Registrar's office during the final examination period. Travel plans are not an acceptable reason to reschedule a final exam. Also note that the final will not be rescheduled under any circumstances if both midterms have been missed. You should by now be familiar with the deferred final exam policy of the department.

Notes on contacting the instructor

When sending email, please use your official UWaterloo account and have ECON 290 in the subject line. It is generally a good idea to also have a signature line that includes your full name and student ID. Please treat email correspondence as a somewhat formal venue of communication.

Course Outline

This class schedule is ambitious. Modifications and/or eliminations of certain content might be required given our limited time together. Any necessary modifications or eliminations to the course content will be communicated to you in the regular class period.

		Topics	Recommended Readings
Week 1	May 6	Introduction / Math Review	
	May 8	Ch 1. Alternatives and Budget	<i>Varian, H. Ch 2, pg. 20 – 33</i>
Week 2	May 13	Ch 2. Preferences and Utility Functions	<i>Varian, H. Ch 3, pg. 34 – 52, Ch 4, pg. 57 – 70</i>
	May 15		
Week 3	May 20	No Class – Victoria Day	
	May 22	Ch 2. Preferences and Utility Functions	<i>Varian, H. Ch 3, pg. 34 – 52, Ch 4, pg. 57 – 70</i>
Week 4	May 27	Ch 3. Utility Maximization	<i>Varian, H. Ch 5, pg. 73 – 90</i>
	May 29	No Class	
Week 5	June 3	Ch 3. Utility Maximization (Ass 1, June 3)	<i>Varian, H. Ch 5, pg. 73 – 90</i>
	June 5		
Week 6	June 10	Midterm I (RCH103 and RCH 211)	

	<i>June 12</i>	Ch 4. Production Technology	<i>Varian, H. Ch 19, pg. 350 – 362</i>
Week 7	<i>June 17</i>		
	<i>June 19</i>	Ch 5. Profit Maximization (Ass 2, June 24)	<i>Varian, H. Ch 20, pg. 363 – 380</i>
Week 8	<i>June 24</i>		
	<i>June 26</i>		
Week 9	<i>July 2</i>	Ch 6. Cost Minimization	<i>Varian, H. Ch 21, pg. 382 – 393, Ch 22, pg. 396 – 411</i>
	<i>July 3</i>		
Week 10	<i>July 8</i>	Midterm II (RCH103 and RCH 211)	
	<i>July 10</i>	Ch 7. Intertemporal Choice (Ass 3, July 15)	<i>Varian, H. Ch 10, pg. 182 – 202</i>
Week 11	<i>July 15</i>		
	<i>July 17</i>		
Week 12	<i>July 22</i>	Ch 8. Choice Under Uncertainty (Ass 4, July 29)	<i>Varian, H. Ch 12, pg. 217 – 235</i>
	<i>July 24</i>		
Week 13	<i>July 29</i>		

Assignments are meant as a learning opportunity. It is acceptable and sensible practice to work in study groups, and to discuss solution approaches. However, assignments must be individually written and submitted. Obvious cases of “copying” will result in a zero grade.

Examination Policy

- No deferred or make-up midterm test. If the illness can be documented with a UW Verification of Illness Form (the only acceptable document), with approval you may transfer the weight of the missed midterm to the final exam. This remedy is a privilege and not a right. Immediately upon your return, please deliver to me a **hard copy** of your medical document. Otherwise, a mark of zero will be given to the missed test. The midterm schedule is set and will not be changed for any reason.
- Late submission of exam papers is not accepted and missed submissions will receive a grade of zero for whatever reason. Exam papers must be submitted in whole and on time in the exam room. Exam papers not submitted on time, submitted with missing pages, submitted elsewhere, with the exception of students with permission to write in the AS Office, or not received at all will receive a grade of zero for whatever reason.

Electronic Device Policy

It is acceptable for students to bring laptops to class, especially for the purposes of taking notes. Please make sure your cell phones are on silent, however.

Attendance Policy and Classroom Protocols

- There is no attendance policy. It is your time and money, after all. However, missing a class does not excuse you from knowing what went on, nor does it imply that you might obtain a private catch up lesson. If you have to miss a class, please arrange access to the class notes with another student.
- While the recommended textbook covers most of the material of this course, it does so in a manner that is different (and complementary) to the lectures. The assignments and exams will be based on the material as it is presented in the lectures. As such, students are strongly encouraged to attend all classes and take good notes.

- To maintain a classroom environment that is conducive to learning, students are expected to have the highest level of courtesy and professional behavior. Students must be punctual. If you know that you have to leave early, seat yourself near an exit. Please turn off all audible ringers on phones and other electronic devices while in class.

Study Tips

Read the material and practice, practice, practice. I would urge you to reserve at least six hours a week to read the material (e.g., textbook chapters and notes) and do all the problems at the end of the chapters in the textbook. Do not wait until a couple of days before the exams—you will be overwhelmed.

Places to learn more about economics

This list is mainly taken from the website of American Economic Association (<https://www.aeaweb.org/resources/students>) and it is addressed to all students who has interest on further materials about macroeconomics.

Books:

- Charles Wheelan, **Naked Economics: Undressing the Dismal Science**, (W. W. Norton, 2010) ISBN 0393337642
- Daron Acemoglu and James Robinson, **Why Nations Fail: The Origins of Power, Prosperity, and Poverty** (New York: Crown Publishing Group, 2012) 978-0307719218
- Joseph E. Stiglitz, **The Price of Inequality: How Today's Divided Society Endangers Our Future**, (W. W. Norton, 2012) ISBN 978-0393088694
- Robert L. Heilbroner, **The Worldly Philosophers**, seventh edition (New York: Touchstone Books, 1999) ISBN 068486214X
- Steven D. Levitt and Stephen J. Dubner, **Freakonomics: A Rogue Economist Explores the Hidden Side of Everything**, (New York: Harper Perennial, 2005) ISBN 0060731338
- Steven D. Levitt and Stephen J. Dubner, **SuperFreakonomics: Global Cooling, Patriotic Prostitutes, and Why Suicide Bombers Should Buy Life Insurance**, (William Morrow, New York, 2009)
- Steven D. Levitt and Stephen J. Dubner, **Think Like a Freak: The Authors of Freakonomics Offer to Retrain your Brain**, (William Morrow, 2014). 0062218336

Podcasts:

- EconTalk - sponsored by The Library of Economics and Liberty

Blogs:

- Core Economics
- Economix (New York Times)
- Freakonomics Blog (Steve Levitt and Steve Dubner)
- Paul Krugman website
- Greg Mankiw's Blog
- Real Time Economics (Wall Street Journal)

Economics Department Deferred Final Exam Policy

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

Cross-listed course

Please note that a cross-listed course will count in all respective averages no matter under which rubric it has been taken. For example, a PHIL/PSCI cross-list will count in a Philosophy major average, even if the course was taken under the Political Science rubric.

Academic Integrity

Academic Integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect and responsibility. See the [UWaterloo Academic Integrity](#) webpage and the [Arts Academic Integrity](#) webpage for more information.

Discipline: A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. 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 professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to [Policy 71 - Student Discipline](#). For typical penalties check [Guidelines for the Assessment of Penalties](#).

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.

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](#).

Accommodation for Students with Disabilities

Note for students with disabilities: [The AccessAbility Services office](#), located on the first floor of the Needles Hall extension (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 the AS office at the beginning of each academic term.

If you are using Turnitin® in your course

Turnitin.com: Text matching software (Turnitin®) will be used to screen assignments in this course. This is being done to verify that use of all material and sources in assignments is documented. Students will be given an option if they do not want to have their assignment screened by Turnitin®. In the first week of the term, details will be provided about arrangements and alternatives for the use of Turnitin® in this course. Note: students must be given a reasonable option if they do not want to have their assignment screened by Turnitin®. See [guidelines for instructors](#) for more information

Mental Health Support

All of us need a support system. The faculty and staff in Arts encourage students to seek out mental health supports if they are needed.

On Campus

- Counselling Services: counselling.services@uwaterloo.ca / 519-888-4567 ext 32655
- [MATES](#): one-to-one peer support program offered by Federation of Students (FEDS) and Counselling Services
- Health Services Emergency service: located across the creek from Student Life Centre

Off campus, 24/7

- [Good2Talk](#): Free confidential help line for post-secondary students. Phone: 1-866-925-5454
- Grand River Hospital: Emergency care for mental health crisis. Phone: 519-749-433 ext. 6880
- [Here 24/7](#): Mental Health and Crisis Service Team. Phone: 1-844-437-3247
- [OK2BME](#): set of support services for lesbian, gay, bisexual, transgender or questioning teens in Waterloo. Phone: 519-884-0000 extension 213

Full details can be found online at the Faculty of ARTS [website](#)

Download [UWaterloo and regional mental health resources \(PDF\)](#)

Download the [WatSafe](#) app to your phone to quickly access mental health support information

Territorial Acknowledgement

We acknowledge that we are living and working on the traditional territory of the Attawandaron (also known as Neutral), Anishinaabeg and Haudenosaunee peoples. The University of Waterloo is situated on the Haldimand Tract, the land promised to the Six Nations that includes six miles on each side of the Grand River.