

**UNIVERSITY OF WATERLOO**  
**Department of Economics**  
**Course Outline**

**ECON 701 Section 001**  
Microeconomic Theory II  
**Winter 2022**  
**MW 10:00-11:20, HH 235**

**Instructor Information**

<b>Instructor:</b>	L-A Busch
<b>Office:</b>	HH 216
<b>Office Hours:</b>	MW 13:00-14:30
<b>Email:</b>	lbusch@uwaterloo.ca

**Course Description**

This course builds on the models and the techniques developed in Microeconomic Theory I. Topics may include general-equilibrium analysis, game theory, the economics of information, mechanism design and applications of bargaining theory to the theory of markets.

This version of the course will be chiefly concerned with General Equilibrium (starting with Walrasian equilibrium, and progressing to Arrow-Debreu and Radner equilibrium). The focus will be on understanding what an equilibrium is (and is not), and how the available markets determine outcomes. The last part of the course will address some topics. Of particular interest are markets without a competitive market price.

Much of the material is likely somewhat familiar with from intermediate micro theory courses, but we will try to be more careful (in terms of mathematics and logic). This course is one in theory -- that means that we focus on the model itself. Most examples are therefore of the "toy example" variety in order to get certain points across.

**Textbook:**

The course material is based on Mas-Colell, Whinston, Green, Microeconomic Theory, Oxford 1995. It is available at the bookstore for electronic download.

**Course Delivery:**

The course is currently scheduled for in person delivery and in person examinations. We will have to be flexible as to the constantly changing circumstances and adapt as best we can. No matter how we meet, the obvious focal point for any activities will always be the scheduled class times.

Classes are a private interaction of the instructor and students. No audio or video recordings are permitted without the explicit consent of all participants. University regulations prohibit the use of photographic devices in class. This includes cell phone pictures.

## Evaluation

Assessment	Date of Evaluation (if known)	Weighting
Final Exam	April exam period	50%
Midterm	March 9, in class	30%
Assignments	various	20%

## Final Exam

Scheduled by the RO in the regular exam period for a 2.5hr time slot. Cumulative, closed book and no calculators or other aids allowed. If we cannot have an in person exam we will revert to some form of 'take-home' style test, with details to be determined.

## Midterm

Planned during class on March 9. Closed book and no calculators/aids. (Subject to change as required.) There is no right to a "make-up" midterm. If the midterm has to be missed for an acceptable reason the default is that the weight from the midterm is transferred to the final exam. If warranted, an oral exam can replace part of the midterm weight.

## Assignments

Posted on LEARN. Normally due at the beginning of class on their due date. No late assignments will be accepted.

## Course Outline

- 1. Introduction:**
  - a. A view of "the forest" and where we plan to go in it
- 2. General equilibrium in competitive markets:**
  - a. Review (ch 15)
  - b. Welfare Properties (ch 16)
  - c. Positive Theory of General Equilibrium (ch 17)
- 3. General Equilibrium -- Extensions:**
  - a. GE under Uncertainty (ch 19)
  - b. GE and Time (ch 20)
- 4. Topics: non-competitive markets, no prices**
  - a. discussion on non-competitive markets
  - b. discussion on 'economics without prices'

## University and Faculty Statements

### 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.

**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](#).

**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](#).

**Appeals:** A student may appeal the finding and/or penalty in a decision made under Policy 70 - Student Petitions and Grievances (other than regarding a petition) or Policy 71 - Student Discipline if a ground for an appeal can be established. Read [Policy 72 - Student Appeals](#).

### Other sources of information for students

[Academic integrity](#) (Arts) [Academic Integrity Office](#) (uWaterloo)

### Accommodation for Students with Disabilities

**Note for students with disabilities:** The [AccessAbility Services office](#), located in Needles Hall Room 1132, 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.