

UNIVERSITY OF GUELPH
College of Management and Economics
Department of Economics

ECON*2770- Introductory Mathematical Economics

Winter 2012

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Office Hours: W 8:45 – 11:15

It is your responsibility as a student to be aware of and to abide by the University's policies regarding academic misconduct, e-mail communication, maintaining copies of out-of class assignments, what to do when you cannot meet a course requirement and the drop date for this semester. To better understand these policies, visit:

<http://www.economics.uoguelph.ca/student-responsibilities-policies.asp>

COURSE DESCRIPTION:

The course aims to provide students with the basic mathematical tools required for elementary theoretical economic analysis. The mathematics largely covers calculus and matrix algebra. The emphasis is not only on the mathematics but also on the building and solution of economic models

Textbooks

Mathematics for Economics, (required)

3rd edition, Hoy, Livernois, McKenna, Rees, and Stengos, MIT Press, 2011.

Student's Solutions Manual (e-book, not required, only recommended),

3rd edition, Hoy, Livernois, McKenna, Rees, and Stengos, MIT Press, 2011

Website for MIT Press to order student solutions manual e-book:

<http://mitpress.mit.edu/catalog/search/default.asp?qtype=c&query+mathematics+for+economics>

PREREQUISITES: ECON*1100, ECON*1050, MATH*1000 or MATH*1080 or MATH*1200.

IMPORTANT SPECIAL INSTRUCTIONS: We are very fortunate this semester to be able to test a new technology called Maple TA. However, because of this opportunity the **logistics of this section will be complex, and it is vital that you pay careful attention to your course requirements**. The class is divided into two groups for the purpose of testing the new technology: some of you will be in the MapleTA group, and some of you will be in the conventional course requirements group. These groups are randomly assigned and **absolutely cannot be changed**. The conventional group will have each week either a written assignment to be turned in or a quiz (alternating), together worth 20% of your mark. The Maple TA group will have weekly on-line Maple-based exercises in total worth 20%. Both groups will have a common midterm and final exam. In the few days **you will receive an e-mail from me indicating which group you are in**.

COURSE REQUIREMENTS: There will be a mid-term exam, assignments & quizzes or Maple TA exercises and a final exam. The dates and weights on these requirements are as follows:

Assignments & Quizzes		20%
or Maple TA		20%
Midterm Exam	Date: February 28 th	30%
Total Term Work		50%
Final	Apr. 12 th , 11:30-1:30 pm	50%

IMPORTANT NOTES:

1. If your performance on the **final exam is better** than your term work (quizzes plus midterm), **and you pass the final exam**, the weights will be shifted to 25% for term work and 75% for the final examination.

WARNING: Do not become complacent because of this opportunity. Most people do better on the quizzes and midterm than they do on the final exam; and falling behind makes it difficult to do well at all in the course.

2. The quizzes are only written in labs on the assigned date. Make-up quizzes will **not** be given. Students who miss the midterm due to **documented** compassionate or medical reasons may be permitted to write the exam at another time. The quizzes will be based on the material covered since the last quiz or exam. The midterm will cover everything from the beginning of the course until the time of the exam. The final exam will be comprehensive and based on the entire course with somewhat more weight on the part after the midterm.

3. The learning objectives are achieved initially through lectures, which will include presentation of material and working through examples. Simple memorisation of formulae only will not produce good results. The only way to learn mathematics and economics is by **DOING** mathematics and economics. I shall be giving weekly exercises (either in the form of assignments & quizzes, or Maple TA exercises). They are worth 20%, but more important than the marks, they will be essential preparation for the midterm and final exams. In addition, the labs will be used for going through some of the exercises. Labs will be held most weeks. You must attend the lab to which you have been assigned.

4. Remember that the course is about mathematical techniques **AND** their application to economics. Formulating an economic problem mathematically is a challenging but an immensely useful skill. As the course evolves, you will see more and more links with the theories you are encountering or have encountered in intermediate micro and macro courses.

5. It is very important to keep up with the course. The exercises and quizzes will help you pace yourself. Don't fall behind!

6. e-mail protocol: I am happy to receive queries by email. However, please note that the subject line must contain ECON*2770, and you must use your U of G account, otherwise the e-mail will be deleted. Also, if many messages on the same theme are received, I will respond in class and will not make individual replies. Restrict messages to small questions about course content and requests for an appointment only. Entire topics will not be explained by e-mail, substantial questions will be taken only in person during office hours or by appointment. If you have requests

Instructor: Asha Sadanand

for special consideration, questions about your standing in the course, or other matters requiring discussion you must see me personally. My e-mail is asadanand@uoguelph.ca

7. You will be asked to complete an evaluation for this course sometime during the last two weeks of classes. The Department of Economics' policy regarding the conduct and use of these evaluations can be found at:

<http://www.economics.uoguelph.ca/course-evaluation.asp>

8. The course starts with some 'Review' material. Most of this is entirely your responsibility, as indicated in the course contents below.

COURSE CONTENT

Review (little economics, mostly math background): student's responsibility

1. Basic arithmetic and algebra: Hoy, Ch 1 (pp. 3 -10)
2. Sets, subsets, functions: Hoy, Ch 2.1 - 2.4 (pp. 11 - 60)
3. Sequences and limits: Hoy, Ch 3 (pp. 61-99)
4. Continuity of functions of one variable with economic applications:
Hoy, Ch 4 (pp. 100-126)

Regular course material (more economic examples and applications):

5. Derivatives and differential for functions of one variable:
Hoy, Ch 5 (excluding section 5.6 on Taylor Series)
6. Unconstrained optimization of functions of one variable:
Hoy, Ch 6 (excluding pp. 217 - 219)
7. Systems of linear equations:
Hoy, Ch 7
8. Matrices:
Hoy, Ch 8
9. Determinants and the inverse matrix:
Hoy, Ch 9
10. Calculus for functions of n -variables:
Hoy, Ch 11.1 - 11.5 (excluding elasticity of substitution pp. 461-463)
11. Optimization of functions of n -variables:
Hoy, Ch 12
12. Constrained optimization:
Hoy, Ch 13 (omit Dual pp. 513 - 514) include Interpretation of λ
13. Comparative Statistics
Hoy, Ch 14