

UNIVERSITY OF GUELPH
College of Management and Economics
Department of Economics and Finance

ECON*3710.01 - ADVANCED MICROECONOMICS

Bradley Ruffle

Office Hours: Tues 9:00-10:00

Fall 2012

McK 710, x58946

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.uoguelph.ca/economics/node/1115>

Course Outline

This course provides an in-depth mathematical treatment of consumer and producer theory, and concludes with general equilibrium and welfare economics. The course material offers a basic background in microeconomics that will serve you well in 4th year economics courses. It also provides you with the ability to understand the issues involved in allocating resources in society, and allows you to appreciate the complexity of those issues.

Required Textbook

Microeconomic Theory: Basic Principles and Extensions,
11th edition, W. Nicholson and C. Snyder, Dryden Press, 2012.

PREREQUISITES

ECON*2310 and ECON*2770: These are important prerequisites, and the materials from these courses should be reviewed.

COURSE REQUIREMENTS

There will be two midterm exams, three assignments, and a final exam. The dates and relative weights of these requirements are as follows:

Assignments	Assignment 1 — Sept 18 th , Assignment 2 — Oct 18 th , Assignment 3 — Nov 15 th	15% (5% each)
Midterm Exams	Midterm 1— Oct 13 th , 3:30-5:30 pm, room TBA Midterm 2—Nov 10 th , 1:30-3:30 pm, room TBA	20% 20%
Total Term Work		55%
Final Exam	Dec 5 th , 7:00 pm — 9:00 pm	45%

IMPORTANT NOTES

1. Final exam: Please check your schedules to ensure that you **do not have a timetable conflict** with the final exam. If your final exam grade is better than your term work, I will change the weighting to: Term work 25%, Final 75%. However, you should not become complacent about the course during the semester. Quizzes, midterms and assignments cover far less material than the final; students generally do better in the term work than the final exam.

2. Mathematics Review: Although all the material from ECON*2770 is important for this course, the most relevant sections, and ones that I would highly recommend that you review, are discussed in Ch. 5, 6, 11, 12, 13, and 14 of *Mathematics for Economics* by Hoy, Livernois, McKenna, Rees and Stengos (Addison--Wesley, 1996). The review questions are useful in testing yourself on this material. **TRY THE REVIEW QUESTIONS!** Review any material with which you are having difficulty.

3. Assignments: The assignments will be a mixture of online problems and regular problems to be turned in. Assignments will be made available one week prior to their due date. Problems to be turned in are to be submitted at the beginning of class. There will be a 10% penalty for problems submitted one day late. Problems submitted more than one day late will not be accepted. A randomly selected part of the problems submitted will be graded; all of the online problems are automatically graded online.

4. Assignments are VERY important! Professor Hoy has done some computations correlating midterm performance with completion and achievement on his 4 assignments.

	<i>Average</i>	<i>Fail Rate</i>
<i>Overall</i>	62.5%	18%
<i>did 2 assignments</i>	70%	7%
<i>did no assignments</i>	55%	30%

5. Extra problems: Besides reading the text and studying your lecture notes, it is also **extremely important** for you to try extra problems. Extra problems will be assigned and some of them will be covered in the labs. It is beneficial for you to try to do even more problems, if possible.

6. Labs: Lab attendance is critical. It permits you to ask questions, see where you went wrong and see how we work through problems. **Midterms will be taken up in the labs.** The **first lab** will be on **Friday September 7, 2012 in Macs 311a**. If you have a **laptop** computer, please bring it to the first lab. The labs for the remainder of the semester will be in the regularly scheduled classroom.

7. Exams: The exams will be at a higher level of difficulty than the midterms because they cover more material. Also, both the midterms and the exams **may contain problems that you have never seen before**. These problems can be solved with a good understanding of the concepts learned, and the problems solved in class and in the labs.

8. Evaluations: You will be asked to complete an evaluation of this course at some time during the last two weeks of the semester. The Department of Economics policy regarding the conduct and use of these evaluations will be found at

<http://www.uoguelph.ca/economics/academics/courses/courses-evaluation>

OUTLINE AND READINGS

Additional required readings may be distributed from time to time.

1. Introduction and Review

Nicholson, Ch. 1, 2

(You should review this material carefully to ensure that you understand it.)

2. Consumer Behaviour and Demand Theory

Nicholson, Ch. 3, 4, 5, 6

3. Firm Behaviour and the Theory of Supply

Nicholson, Ch. 9, 10, 11

4. Market Equilibrium under Perfect Competition

Nicholson, Ch.12

5. General Equilibrium and Welfare Economics

Nicholson, Ch.13

6. Choice under Uncertainty and Information Economics

Nicholson, Ch. 7, 8

7. Market Imperfections

Nicholson, Ch 18, 19