

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

ECON*3710 ADVANCED MICROECONOMICS

Fall 2011

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Office Hours: T, Th 10:00 – 11:20 am

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 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 gives you a basic background in microeconomics that is extremely useful 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, 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 one midterm exam, three assignments, two quizzes and a final exam. The dates and relative weights on these requirements are as follows:

Assignments (Due within one week)	Assignment 1 — Sept. 16 th , Assignment 2 — Sept. 30 th , Assignment 3 — Nov. 4 th .	15% (5% each)
Quizzes	Quiz 1 — Oct. 7 th , in class Quiz 2 — Nov. 18 th , in class.	20% (10% each)
<u>Mid-term Exam</u>	Oct. 21 st , in class.	<u>25%</u>
Total Term Work		60%
Final Exam	Dec. 10 th , 11:30-1:30 pm	40%

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 you term work **and you pass the final exam**, I will change the weighting to: Term work 30%, Final 70%. 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: Due at the beginning of class. There will be a 10% penalty for being one day late, and assignments later than that will not be accepted. A randomly selected part of each problem set will be marked.

4. Assignments are VERY important! Professor Hoy has done some computations relating 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: Attendance at labs is critical. It will allow you to ask questions, see where you went wrong and see how we work through problems. **Quizzes and midterm will be taken up in the labs.**

7. Exams: The exams will be at a higher level of difficulty than the quizzes because they cover more material. Also, both the quizzes and the exams **may contain problems that you have never seen before**, but that 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.economics.uoguelph.ca/course-evaluation.asp>

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 carefully to ensure that you understand this material.)

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