

McGill University
Department of Economics
ECON 230D2-002 -Microeconomics
Winter 2021: from January 7th to April 15th

Professor: N. V. Long
Office: Leacock 314
E-mail: ngo.long@mcgill.ca

Objectives

This is the second half of microeconomic theory for majors at the intermediate level. We will study the theory of monopoly, oligopoly, and strategic behavior. We will also examine various sources of market failures, including imperfect competition, externalities, common property resources, and asymmetric information.

This is a Full-year Course

ECON 230D is a full-year course. To receive credit for the entire course you must take both halves of the course in the same academic year. Your final mark in 230D will be based on your performance in the Fall and Winter terms. The weights are 50% for ECON230D1 and 50% for ECON230D2.

Transfer from Honours to Major (From ECON250D to ECON230D)

For students transferring during the January add/drop period, the default weights are 25% and 75%.

Textbook, lecture slides, and exercises

We will use *Microeconomics* by Jeffrey Perloff as the textbook. (8th edition, 2018. Pearson.) Some additional materials may be covered, which deal with issues that are related to, but not treated, to topics that are specifically dealt with the textbook). My **lecture slides** will be posted on mycourses2.mcgill.ca after each lecture. You can download them for personal use, but not for circulation.

Pearson representative:

Andrew.renahan@pearson.com.

Notes: (i) Some of you may have bought the book *Intermediate Microeconomics*, by Hal. R. Varian, ninth edition (2020). W.W. Norton and Company. This book can be use as a substitute for Perloff's *Microeconomics*.

(ii) I **will not** make use of MyEconLab for this course. Nor will I make use of any other software that this textbook (or any other book) may offer. Students are not required to access and/or make use of MyEconLab.

(iii) I will issue **weekly sets of exercises** relating to the course material. You should try to do the exercises. Your TAs will explain to you the solutions to these exercises in **their conference sessions and office hours**. Some exam questions will be quite similar to and/or related to the exercises.

Course lectures and slides

All lectures will be offered online, mainly as Zoom meetings, to which you are invited. These meetings will be recorded, and **in case you miss any of these meetings, you can always listen to the recorded meetings** by accessing mycourses2.mcgill.ca. Additional materials will be available at mycourses2.mcgill.ca.

Lecture times (Zoom meetings): from January 7th to April 15th

Tuesday: 4 p.m. to 5:25 p.m.

Thursday: 4 p.m. to 5:25 p.m.

These lectures will be **recorded** and will be accessible from myCourses2.mcgill.ca.

Teaching Assistants: their conference sessions and office hours

- Miao Dai (the **head-TA**): miao.dai@mail.mcgill.ca
- Wenmei Tu: wenmei.tu@mail.mcgill.ca
- Zhewen Wu: zhewen.wu@mail.mcgill.ca

The teaching assistants will schedule conference sessions as well as their own **office hours** (via Zoom) every week. All these activities are conducted online.

Please consult McGill's Remote Learning Resources to learn more about Zoom. You will be notified through a pop-up box in Zoom if a portion of a session is being recorded. By remaining in sessions that are recorded, you agree to the recording, and you understand that your image, voice, and names may be disclosed to classmates. You also understand that recordings will be made available in myCourses to students registered in the course. For information on TA office hours and conference time: Please check the website, mycourses2.mcgill.ca.

Communication

Main mode of communication: myCourses. You should check myCourses every day for announcements.

-If you have any question, contact the TAs, in particular the head-TA. They will communicate important matters to me.

-If you have a **question about the course material**, then you should follow the following steps:

1. Use discussion forums on myCourses. The TAs will monitor these discussion forums.
2. Contact your TA.
3. See your TA (online) during their office hours.
3. If steps 1 through 3 fail: Talk to me during my office hours.

All correspondence in this class will be directed through McGill email addresses only. Any email coming from any other address will be neither read nor answered.

If you have not activated your McGill email account, please follow the instruction at www.mcgill.ca/it/get-started-it/students.

If you do not receive a response to your email, it usually means that the answer to the question can be found in the syllabus/course outline, or in the announcements in myCourses.

Course Evaluation/Assessment

-Midterm Exam, on 11 March 2021 (worth 25%).

-Final Exam around the third or fourth week of April (worth 75%).

If you do not take a midterm exam, its weight will be added to the final exam weight.

Both exams will be online.

To study for the final exam, you should review everything we covered during the winter term.

Your final grade for the full course will be the average grades you received in both 230D1 and 230D2. **Exception for those who transfer from Honours to Major** (From ECON250D

to ECON230D): For students transferring during the January add/drop period, the default weights are 25% and 75%.

Final exam: Take-home – a take-home exam is one with a designated time period (in our case, 48 hours) released in myCourses. Take-home exams **will be due on the scheduled final exam end time** as this will reduce exam conflicts. The take-home final exam will be released to students 48 hours before they are due. The take-home exam will be of a length and difficulty that would take a maximum of 3 hours to complete, regardless of the period of time within which students complete the exam (48 hours). DATE: To be advised.

Midterm exam: Take-home. You will be given a designated time period (in our case, 48 hours) released in myCourses. The take-home midterm exam will be released to students 48 hours before they are due. The take-home midterm exam will be of a length and difficulty that would take a maximum of 90 minutes to complete, regardless of the period of time within which students complete the exam (48 hours).

Midterm Exam Date

Thursday 11 March 2021. The exam paper will be downloadable at noon 11 March, Montreal time.

(You must upload your answers to the exam questions within 48 hours, i.e., before noon of Saturday 13 March, Montreal time).

Final Exam Date

To be announced.

Supplemental Exam

For those who are eligible, the supplemental exams will cover material from both ECON 230D1 and ECON230D2. They will be held during the summer following ECON230D2. Supplemental exams are not given for individual semesters.

Course Outline

This course outline is tentative. I reserve the right to change the content and/or the pace at which we proceed.

The tentative list of topics is:

- Monopoly: Perloff, Chapter 11, or Varian, Chapter 25.
- Pricing and Advertising: Perloff, Ch.12; or Varian, Ch. 26 and 27.
- Oligopoly and Monopolistic Competition: Perloff, Ch. 13; or Varian, Ch. 28.
- Game Theory: Perloff, Ch. 14; or Varian, Ch. 29 and Ch. 30.
- Externalities, Open Access, and Public Goods: Perloff, Ch. 18, or Varian, Ch. 35 and 37.
- Asymmetric Information: Perloff, Ch. 19., or Varian, Ch. 38.
- Contracts and Moral Hazards: Perloff, Ch. 20.
- Factor Markets (if time permits): Perloff, Ch. 15., or Varian, Ch. 27.
- Interest Rates, Investments, and Capital Markets (if time permits): Perloff, Ch. 16.

McGill Policy Statements

Academic Integrity: McGill University values academic integrity. Therefore, all students must understand the meaning and consequence of cheating, plagiarism and other academic offenses under the Code of Student Conduct and Disciplinary Procedures (see www.mcgill.ca/students/srr/honest/ for more information). Approved by Senate on 29 January 2003.

L'université McGill attache une haute importance à l'honnêteté académique. Il incombe par conséquent à tous les étudiants de comprendre ce que l'on entend par tricherie, plagiat et

autres infractions académiques, ainsi que les conséquences que peuvent avoir de telles actions, selon le Code de conduite de l'étudiant et des procédures disciplinaires pour de plus ample renseignements, veuillez consulter le site www.mcgill.ca/syudents/srr/honest/).

Language of Submission: In accord with McGill University's Charter of Students' Rights, students in this course have the right to submit in English or in French any written work that is to be graded. (Approved by Senate on 21 January 2009- see also the section in this document on Assignments and Evaluation.) Conformément à la Charte des droits de l'étudiant de l'université McGill, chaque étudiant a le droit de soumettre en français ou en anglais tout travail écrit devant être noté sauf dans le cas des cours dont l'un des objets est la maîtrise d'une langue.)

Copyright of Lectures: All slides, video recordings, problem sets, and lecture notes remain the instructor's intellectual property. You may use these only for purposes of your own learning, but you are not permitted to disseminate or share these materials. Note that infringements of copyright can be subject to follow up by the University under the Code of Student Conduct and Disciplinary Procedures.