ECON 250D1: Introduction to Economic Theory: Honours
Fall 2019, McGill University

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Economics deals with the allocation of scarce resources among alternative uses to satisfy human wants. Microeconomics studies the economic behavior of individual decision-making units such as individual consumers, resource owners, business firms, and the operation of individual markets in a free-enterprise economy. (This is contrasted with macroeconomics which studies the aggregate level of output and national income, and the level of national employment, consumption, investment, and prices for the economy viewed as a whole.) Microeconomics is the basis for many “applied” fields of economics such as industrial economics, labor economics, natural resources and environmental economics, agricultural economics, public finance, development economics, and international economics.

Econ 250D is a course in microeconomic theory at intermediate level. Topics include the theory of consumer behavior, technology and the theory of the firm, general equilibrium, public goods, welfare economics, game theory. Econ 250D1 is the first half of Econ 250D, offered in the fall semester, and its sequel Econ 250D2 will be offered in the winter semester (by Professor Rohan Dutta).

Class schedule: Tuesdays and Thursdays, 1:05pm – 2:25pm, SADB 2/36
Office hours: Mondays and Wednesdays, 1:00 – 2:30pm.

Teaching Assistant: Audrey Azerot

Tutorial Sessions by the TA: A tutorial session is held by the teaching assistant after every problem set. Location and time: TBA

Prerequisites: Calculus I and II are prerequisites for this course. The McGill courses that meet this prerequisite are MATH 140 (Calculus 1) and MATH 141 (Calculus 2). Out-of-province students who have taken high-school calculus should register in MATH 150 (Calculus A) and MATH 151 (Calculus B). These courses cover the material of Calculus I, II and III in two terms.
Texts:


Supplemental introductory text (for those who have not taken economics before):


Evaluation:

*Econ 250D1*: Problem sets: 10%, midterm exam: 30%, final exam (comprehensive): 60%. The midterm exam will be held on Thursday, October 17th in class and the final exam, centrally administered by the university, will take place during December exam period. There is no make-up exam for the midterm. If you miss the midterm exam (*due to illness or other valid reasons*), your midterm weight will be shifted to your final exam. If you miss the December final exam (*due to illness or other valid reasons*), you will write a deferred exam in the winter term.

*Econ 250D1&2*: Your fall term grade in Econ 250D1 counts for 50% of your overall Econ 250D grade, which enters your transcript after the Econ 250D2 exam in April 2020. Supplemental examination for those eligible will cover material from both Econ 250D1 and Econ 250D2 and it will be held in August 2020. There is no supplemental exam for the fall semester.
Transfer to Econ 230:

Special provisions for students who wish to drop out of the honors/joint honors programs and enter the major concentration program during U1 after the course change period in first term:

Such students are permitted to drop 250D and transfer to 230D only during two time periods.

(1) Up to the end of the week after the 250D1 mid-term. For students using this window, the course grade depends solely on their subsequent performance in 230D.

(2) The January add/drop period in the Winter semester. For students transferring at that time, their grade in 250D1 will count for 25% and the grade obtained in 230D2 will count for 75% when computing their grades in 230D.

Transfers would not be processed at other times.

Topics: The first term is devoted to Consumer Theory (Preferences, Demand, Intertemporal Choice, Consumer Demand, Revealed Preferences), Competitive General Equilibrium, Producer Theory (Technology, Profits, Costs)

Advice: This course follows an analytical approach to economics that uses rigorous, logical reasoning. A good understanding of the material should allow you to apply the tools you have learnt to analyze related economic problems. To achieve this, it is essential to work on and solve the questions in the textbook and the problem sets (there will be up to 8 problem sets).