

ECON 250D1: Introduction to Economic Theory: Honours
Fall 2020, 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.

CLASS SCHEDULE: Mondays and Wednesdays, 11:35am – 12:55pm. The scheduled time will serve as our reference point for online delivery of material. Before each scheduled class, a pre-recorded lecture will be posted on myCourses (<https://mycourses2.mcgill.ca>) and the *Discussions* tool in myCourses will be set up to facilitate interactions among students and between students and the instructor.

The first day of the lecture is September 2 (Wednesday). There is no class on Monday, September 7 (Labor Day). Our Monday and Wednesday schedule continues until December 2. There will be an extra (and the final) class on December 3.

OFFICE HOURS (STARTING SEPTEMBER 3): Tuesdays and Thursdays, 9:30am – 10:30am via Zoom. E-mail me for short questions or an appointment for a Zoom meeting if you cannot join me during regular office hours.

TEACHING ASSISTANT: Hassan Hilmi [muhammad.hilmi@mail.mcgill.ca] who will (1) offer tutorials on problem sets and quizzes and (2) hold office hours. Details to be announced on myCourses.

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:

- Varian, H.R., *Intermediate Microeconomics with Calculus*, First Edition, Norton (main text)
- Perloff, J.M., *Microeconomics – Theory and Applications with Calculus*, Third Edition, Pearson (supplemental text, optional)

SUPPLEMENTAL INTRODUCTORY TEXT (for those who have not taken economics before):

- Regan, C.T.S., *Microeconomics*, Fifteenth Canadian Edition, Pearson, 2017.

EVALUATION:

Econ 250D1: Problem sets (up to 8 problem sets): 20%, Short Quizzes: 10%, midterm exam: 25%, final exam (accumulative): 45%. Both the midterm and final exams will be timed open-book exams with 48-hour access window. The midterm exam will be held October 21-23 and the final exam 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 during the study break. There is no supplemental exam for the fall semester.

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 2021. Supplemental examination for those eligible will cover material from both Econ 250D1 and Econ 250D2 and it will be held in August 2020. Supplemental exam mark counts for 100% of the grade.

TRANSFER TO ECON 230:

There are 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, their grades depend solely on their subsequent performance in 230D and more specifically their grades for ECON 230D1 depend on the final assessments only.

- (2) The January add/drop period in the Winter semester: For students transferring at that time, their grades in 250D1 will count for 25% and the grades obtained in 230D2 will count for 75% when computing their overall 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)*, *Exchange Economy, 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. It is natural to find some questions challenging, especially in the beginning.

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1. MCGILL UNIVERSITY VALUES ACADEMIC INTEGRITY. THEREFORE ALL STUDENTS MUST UNDERSTAND THE MEANING AND CONSEQUENCES OF CHEATING, PLAGIARISM AND OTHER ACADEMIC OFFENCES UNDER THE CODE OF STUDENT CONDUCT AND DISCIPLINARY PROCEDURES

(see www.mcgill.ca/integrity for more information).

2. In the event of extraordinary circumstances beyond the University's control, the content and/or evaluation scheme in this course is subject to change.
3. All slides, video recordings, lecture notes, etc. remain the instructor's intellectual property. As such, you may use these only for purposes of your own learning (and research, with proper referencing/citation). You are not permitted to disseminate or share these materials; doing so may violate the instructor's intellectual property rights and could be cause for disciplinary action.
4. By enrolling in a remote course, you accept that fixed sessions will be recorded. You must consent to being recorded if you attend a lecture or participate in a component of a course that is being recorded. You will be notified through a "pop-up" box in Zoom if a lecture or portion of a class is being recorded. If you are not comfortable being in a class that is recorded, you may decide to not take part by logging off Zoom. Students who log off will be able to later watch the video recording in myCourses.