

Department of Economics  
Wilfrid Laurier University  
Spring 2008  
**EC 370**  
**Microeconomic Theory II**

**INSTRUCTOR**

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**LECTURE HOURS AND LOCATION**

Mondays and Wednesdays 11:30 – 12:50 p.m. in SBE 1240

**OFFICE HOURS**

TBA

**COURSE WEBPAGE**

[http://qed.econ.queensu.ca/pub/students/khans/EC370\\_S08.htm](http://qed.econ.queensu.ca/pub/students/khans/EC370_S08.htm)

The course outline, assignment questions, solutions to optional assignments and solution to mid-term exam will be posted on the course webpage. Important announcements concerning the course will also be posted there.

**COURSE DESCRIPTION**

An examination of decision making, equilibrium and efficiency in different economic environments. Topics may include strategic behaviour, information, risk, intertemporal choice, product differentiation, general equilibrium, externalities and public goods.

**PREREQUISITES & CO-REQUISITES**

[EC270](#); Year 3 of an Honours Economics program or permission of the department.

**REQUIRED TEXTBOOKS**

Hal R. Varian (2006): Intermediate Microeconomics: A modern approach (7<sup>th</sup> ed.), W.W. Norton & Company. (V)

Theodore C. Bergstrom and Hal R. Varian (2006): Workouts in Intermediate Microeconomics (7<sup>th</sup> ed.), W.W. Norton & Company. (V)

## **SUPPLEMENTARY TEXTBOOKS**

David Besanko and Ronald R. Braeutigam (2005): *Microeconomics* (2<sup>nd</sup> ed.), John Wiley and Sons. **(BB)**

Curtis Eaton, Diane Eaton and Douglas Eaton (2002): *Microeconomics theory with applications* (6<sup>th</sup> ed.), Pearson Prentice Hall. **(EEA)**

## **TEXTBOOK WEBSITE**

[www.wwnorton.com/varian](http://www.wwnorton.com/varian)

## **EVALUATION**

Optional Assignments (You do NOT have to Submit)	0%
Mid-term Exam	40%
Final Exam (Comprehensive)	60%

The course grade will be determined by the following rule:

**Course Grade = maximum {(40% of Midterm + 60% of Final), (100% of Final)}**

Students **must** write both the midterm exam and final exam to pass this course. If a student misses the midterm exam due to acceptable medical reasons or unavoidable circumstances, the weight of his or her midterm exam will be added to the final exam. Students must report to me the reasons of not writing the midterm exam prior to the exam date or immediately after the exam.

## **ACCESSIBLE LEARNING STATEMENT**

*Students with disabilities or special needs are advised to contact Laurier's Accessible Learning Centre for information regarding its services and resources. Students are encouraged to review the Calendar for information regarding all services available on campus.*

## **ACADEMIC AND RESEARCH MISCONDUCT**

*You are reminded that the University will levy sanctions on students who are found to have committed, or have attempted to commit, acts of academic or research misconduct. You are expected to know what constitutes an academic offense, to avoid committing such offenses, and to take responsibility for your academic actions. For information on categories of offenses and types of penalty, please consult the relevant section of the Undergraduate Academic Calendar. If you need clarification of aspects of University policy on Academic and Research Misconduct, please consult your instructor.*

*Wilfrid Laurier University uses software that can check for plagiarism. Students may be required to submit their written work in electronic form and have it checked for plagiarism.*

**COURSE OUTLINE AND LECTURE PLANS**  
(Reference codes refer to the texts mentioned above)

<b>Date</b>	<b>Topic</b>	<b>References/ Comments</b>
Week 1 (Week of May 5)	Monopoly	V: Ch 24
Week 2 (Week of May 12)	Monopoly Behaviour	V: Ch 25
Week 3 (Week of May 19)	Introduction to Game Theory	V: Ch 28
Week 4 (Week of May 26)	Game Applications	V: Ch 29
Week 5 (Week of June 2)	Game Theory and Strategic Behavior	V: Ch 27
Week 6 (Week of June 9)	General Equilibrium Theory (Exchange Economy)	V: Ch 31
Week 7 (Week of June 16)	General Equilibrium Theory (Exchange Economy)	V: Ch 31
<b>Week of June 16</b>	<b>Midterm Exam</b>	<b>Time and Location: TBA</b>
Week 8 (Week of June 23)	General Equilibrium Theory (Production Economy)	V: Ch 32
Week 9 (Week of June 30)	General Equilibrium Theory (Production Economy)	V: Ch 32
Week 10 (Week of July 7)	Externalities	V: Ch 34
Week 11 (Week of July 14)	Public Goods	V: Ch 36
Week 12 (Week of July 21)	Uncertainty	V: Ch 12
Week 13 (Week of July 28)	Risky Assets; Final Exam Review	V: Ch 13

**Note:** Additional readings, if necessary, will be assigned during the term.

**TIPS TO DO WELL IN THIS COURSE**

- Attend all the lectures and actively participate in class. Feel free to ask as many questions as you want in the class. There is no ‘stupid question’ in my class.
- Read the textbook and other assigned readings between the lines and go through your lecture notes from the class. If you have any questions, please ask me during my office hours.
- Do all the assignments. Assignments are designed for helping you to understand the course materials and to prepare you for the exams.
- Go through the solutions to all assignments and mid-term carefully. If you face any problems, feel free to stop by during my office hours.