



Department of Economics Course Outline

		Term:	Fall 2014
Course:	Economics 557 [Topics in Economic Theory I]	Section:	01
Time:	TR 08:00 – 09:15	Place:	ES 054
Instructor:	Dr. Kenneth J. McKenzie		
Office:	SS 402	Telephone:	403-220-4605
Office Hours:	TR 10:00-11:00 and by appointment	E-mail:	kjmckenz@ucalgary.ca

Textbook(s):

Gravelle, H. and R. Rees (2004), *Microeconomics*, 3rd ed., Pearson Education.

Reserved Readings: n/a

Course Description:

The purpose of this course is to “re-introduce” you to the weird and wonderful world of microeconomic theory. While many of the topics covered in the course will be familiar to you from earlier courses, we will cover them in a more rigorous manner. The course is fairly standard - neoclassical consumer and producer theory, partial and general equilibrium analysis, decision making under uncertainty, and an introduction to game theory. You are expected to be familiar with basic differential and integral calculus, most particularly constrained optimization.

A preliminary reading list is attached.

Finally, if you find the course difficult, remember the immortal exchange between Alice and the Queen of Hearts:

"I can't believe that!", said Alice.

"Can't you?", the Queen said in a pitying tone. "Try again: draw your breath and shut your eyes."

Alice laughed. "There's no use trying," she said, "one can't believe impossible things."

"I dare say you haven't had much practice," said the Queen.

Course Topics and Readings (subject to change):

The course can be roughly divided into three parts: consumer and producer theory, and partial equilibrium analysis; general equilibrium analysis and welfare economics; and game theory.

We will move rather quickly through consumer and producer theory. This section of the course should take about 6 weeks. The next section of the course will deal with partial equilibrium and welfare analysis. This section of the course should take about 2 weeks.

The final section of the course will be devoted to an introduction to, and applications of, game theory. Various types of market failures, such as market power, public goods, externalities, and asymmetric information will be discussed in a game theoretic framework. This part of the course will rely somewhat more on applications than the rest of the course. This section of the course should take about 4 weeks.

1. Consumer Theory

Gravelle and Rees 2-4

2. Choice Under Uncertainty

Gravelle and Rees 17, 19

3. Producer Theory

Gravelle and Rees 5-7

4. Partial Equilibrium, Competitive Markets and Welfare Economics

Gravelle and Rees 8

5. Introduction to Game Theory I: Static Games of Complete Information

Gravelle and Rees 15, 16

6. Introduction to Game Theory II: Dynamic Games of Complete Information

Gravelle and Rees 15, 16

7. Introduction to Game Theory III: Games of Incomplete Information

Gravelle and Rees 15, 16

Grade Determination:

1. 5 Mini Assignments	15%
2. 2 Major Assignments	20%
3. Mid-term Exam – Thursday, November 6 (subject to change)	20%
4. Final Exam (scheduled by Registrar)	45%

The official grading system will be used. A letter grade will be awarded based on the numeric average of the exams and assignments.

Notes:

1. Students must receive a passing grade on the final exam in order to pass the course. The final exam will be comprehensive.
2. Any work not submitted on time will receive a grade of zero. Extensions and exemptions for assignments and exams will not be given. In the case of documented illness, family or personal emergency, or religious observance extra weight will be placed on the final exam.
3. Students seeking reappraisal of term work should discuss the issue with the instructor within fifteen (15) days of the work being returned in class.
4. It is the student's responsibility to request academic accommodations. If you are a student with a documented disability who may require academic accommodation and have not registered with the Disability Resource Centre, please contact their office at 403-220-8237. Students who are not registered with the Disability Resource Centre are not eligible for formal academic accommodation. You are also required to discuss your needs with the instructor no later than fourteen (14) days after the start of the course.

Safewalk/Campus Security: 220-5333
Emergency Assembly Point: ICT Food Court

KJM:
2014-08-14