

Intermediate Microeconomic Theory II
Economics 2151B-001
Department of Economics
Western University

January 2022

Instructor: Sunghoon Cho

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Office Hours: Email office hours*: Wed 10:30 am -12:30 pm

Zoom office hours by appointment

Delivery mode: Online (until January 31st), In-person (after January 31st)*

Classroom meeting time(s) & location: M/W/F 1:30 – 2:30 pm, SSC 2036*

*Subject to change depending on the public health guidance.

Course website: <https://owl.uwo.ca/portal>

Undergraduate inquiries: 519-661-3507 SSC Room 4075 or econugrd@uwo.ca

Course delivery with respect to the COVID-19 pandemic

Although the intent is for this course to be delivered in-person, the changing COVID-19 landscape may necessitate some or all of the course to be delivered online. When deemed necessary, tests and examinations in this course will be conducted using a remote proctoring service. By taking this course, you are consenting to the use of this software and acknowledge that you will be required to provide personal information (including some biometric data) and the session will be recorded.

Completion of this course will require you to have a reliable internet connection and a device that meets the technical requirements for this service. More information about this remote proctoring service, including technical requirements, is available on Western's Remote Proctoring website at: <https://remoteproctoring.uwo.ca>

Registration

You are responsible for ensuring you are registered in the correct courses. If you are not registered in this course, the Department will not release your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at <https://studentservices.uwo.ca/secure/index.cfm>. If you notice a problem, please contact your faculty academic counselor right away.

Prerequisite:

Economics 2150A/B

Antirequisite:

Economics 2261A/B

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken any anti-requisite courses. Lack of prerequisites may not be used as a basis for appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment to your fees. This decision cannot be appealed.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the end of the add/drop period. Your prompt attention to this matter will not only help protect your academic record, but will ensure that spaces become available for students who require the course in question for graduation.

Course Objective

The first goal of this course is to further develop theories of market power, such as monopoly and monopsony. Next, we will introduce game theory in order to study strategic behavior and interactions between economic agents. Finally, students will receive an introduction to several mainstream areas of study in economics, including general equilibrium, risk, externalities, and public goods (if time permits). Upon successful completion, students should feel prepared to critically analyze issues in firm behavior, industrial organization, and public policy.

Learning Outcomes:

Upon successful completion of the course, the student will:

- Define in words and equations the terms we use in class to understand monopolies, oligopolies, strategic games, risk, uncertainties, and general equilibrium
- Translate assumptions about the agent's preferences, constraints, and beliefs and the market's features into mathematical expressions.
- Solve constrained optimization problems in the models of monopolies, oligopolies, strategic games, risk, uncertainties, and general equilibrium.
- Compare the outcomes of the models with the outcomes of perfect competition model.
- Describe how firms and other groups with market power choose price and quantity.
- Find the Nash Equilibrium of normal-form and extensive-form games
- Incorporate risk and uncertainties to the economic models
- Learn the model of general equilibrium and Edgeworth box.

Textbook:

Besanko, David and Ronald R. Braeutigam. *Microeconomics*. 6th Edition, John Wiley & Sons Inc., 2020.

Bookstore link: https://bookstore.uwo.ca/textbook-search?campus=UWO&term=W2021B&courses%5B0%5D=002_UW/ECO2151B

Technical Requirements

- Laptop or computer
- Stable internet connection
- Microphone (for virtual office hours and possible online exams)
- Webcam (for virtual office hours and possible online exams)

Grading:

The course grade will be based on two midterm exams and a final exam. The material for all the exams consists of the topics covered in the textbook as well as material covered in the lectures. The distribution of the marks and tentative date for the exams are:

Assessment	Weight	Date	Time
Midterm 1	30%	Saturday, February 5 th	10:00 am – noon
Midterm 2	30%	Saturday, March 12 th	10:00 am – noon
Final	40%	TBA by the registrar's office	TBA

All times are ET. All exam dates and times are tentative and subject to change. All of the exams will be in-person, 2 hours long, and in multiple choice format. Note that in the event that classes move to an online status, the assessment dates, times, and choices may change.

Policies regarding make-up exam

THERE WILL BE NO MAKE UP FOR THE MIDTERMS. For all missed midterms, you must fill out the self-reported absence form or take your documentation to Academic Counselling within **48** hours of the exam. You must also notify your instructor **within 24 hours** of the missed assessment that you have missed the midterm. You must meet both deadlines, otherwise the instructor will assign a grade of zero. For illnesses, you must print off a medical certificate and take it to the doctor, which you bring to Academic Counselling. The medical certificate can be found at (https://studentservices.uwo.ca/secure/medical_document.pdf). If the absence for the midterm is excused, then the percentage for that exam will be allocated to the final exam. For those who know in advance that they have a conflict with a midterm exam, it is your responsibility to provide the documentation to the instructor.

Students who miss the final exam must take their documentation to Academic Counselling and notify the instructor within **24** hours. There will be a makeup date set by the instructor. The makeup may differ in length and format from the originally scheduled exam and may be essay format.

Students who miss any assessment **must** follow Western University's procedures for approval of their absence in order to receive an accommodation. Please see the **Please Note Department Policies for 2021-2022** section of this syllabus for details on these procedures. If during the Winter 2022 term Western University announces any changes to these procedures, please follow those procedures.

Topics/Chapters covered

Part I: Market Power

Chapter 11: Monopoly and Monopsony

Chapter 12: Capturing Surplus (Price Discrimination)

Part II: Imperfect Competition and Strategic Behavior (Game Theory)

Chapter 14: Game Theory and Strategic Behavior

Chapter 13: Market Structure and Competition

Part III: Special Topics

Chapter 15: Risk and Information

Chapter 16: General Equilibrium Theory

Chapter 17: Externalities and Public Goods (If time permits)

Professionalism, Privacy and Copyright:

- Students are expected to follow the [Student Code of Conduct](#).
- All lectures and course materials, including slides, presentations, outlines, and similar materials, are protected by **copyright**. Students may take notes and make copies of course materials for their own educational purposes only.
- Students may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, assessments, or any other course materials publicly and/or for commercial purposes without written consent of the instructor.
- Recordings (audio or video) are not permitted without explicit, written permission of the instructor. Permitted recordings may not be distributed or shared.
- Students are expected to follow online etiquette expectations provided on OWL (*if applicable; otherwise delete this bullet point*)
- Students will be expected to take an academic integrity pledge before some assessments (*if applicable; otherwise delete this bullet point*)
- Some sessions may be recorded by the instructor. Recorded sessions will remain within the course site or be unlisted if streamed (*if applicable; otherwise delete this bullet point*)

Please Note
Department & University Policies for Winter 2022

The University expects all students to take responsibility for their own Academic Programs. Students should also check their registration to ensure they are enrolled in the correct courses.

1. **Guidelines, policies, and your academic rights and responsibilities** are posted online in the current Western Academic Calendar at: <http://westerncalendar.uwo.ca>. Claiming that “you didn’t know what to do” is not an acceptable excuse for not following the stated policies and procedures.
2. Students must familiarize themselves with the “**Rules of Conduct for Examinations**” http://www.uwo.ca/univsec/pdf/academic_policies/exam/administration.pdf.
3. **Cheating as an academic offence:** Students are responsible for understanding what it means to “cheat.” The Department of Economics treats cheating incidents very seriously and will investigate any suspect behavior. Students found guilty will incur penalties that could include a failing grade or being barred from future registration in other Economics courses or programs. The University may impose further penalties such as suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. When taking an idea/passage from another author, it must be acknowledged with quotation marks where appropriate and referenced with footnotes or citations. Plagiarism is an academic offence (see Scholastic Discipline for Undergraduate Students in the Western Calendar at http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_20).

Western University uses software to check for plagiarism and students may be required to electronically submit their work. Those found guilty will be penalized as noted in point 3.

5. It is a Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students must submit assignments to the instructor.
6. **Appeals:** University policies and procedures for appealing a mark can be found in the Student Academic Appeals section in the current Western Academic Calendar at: http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_14. **Please note the relevant deadlines.**

Department of Economics procedures for appealing a mark can be found here: https://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals. The Department will not consider an appeal unless an attempt has been made to settle the matter with the instructor first. Students who remain dissatisfied with the outcome may proceed to submit an appeal to econugrd@uwo.ca. Please follow the instructions and use the appeal form shown in the above link.

7. **Systematic adjustments of a class grade distribution** (either up or down) can occur in Economics courses. The fact that grades have been adjusted is **not** grounds for an appeal.
8. Note the following **add and drop deadlines**:

Deadline to add a second term half course:

Tuesday January 18, 2022

Deadline to drop a second term half course:

Monday March 14, 2022

Policy Regarding Makeup Tests and Final Examinations

Faculty of Social Science policy states that oversleeping or misreading an exam schedule is NOT grounds for a makeup. This rule applies to midterm and final exams in the Department of Economics.

Policies Regarding Academic Accommodation

- The Faculty of Social Science's policies on academic accommodation are found at https://counselling.ssc.uwo.ca/procedures/academic_consideration.html
- **Accommodation for Students with Disabilities:** Students with disabilities or accessibility challenges should work with Accessible Education (formerly SSD, see http://academicsupport.uwo.ca/accessible_education/index.html), which provides recommendations for accommodation based on medical documentation or psychological and cognitive testing. The accommodation policy can be found here: [Academic Accommodation for Students with Disabilities](#).
- **Rewriting Exams and Retroactive Reweighting are NOT Permitted:** Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or retroactive reweighting of marks, is **not** permitted. Self-Reported Absences cannot be used once a student has proceeded to start to write a test or exam.
- **Self-Reported Absences:** Students will have two opportunities during the fall and winter terms to receive academic consideration if they self-report a missed assessment using the online self-reported absence portal, provided the following conditions are met: the assessment is missed due to an absence of no more than 48 hours in duration, and the assessment for which consideration is being sought is worth 30% or less of the student's final grade. Students are expected to contact their instructors within 24 hours of the end of the period of the self-reported absence, unless noted otherwise on the syllabus. Students are not able to use the self-reporting option in the following circumstances:
 - for exams scheduled by the Office of the Registrar (e.g., final exams)
 - absence of a duration greater than 48 hours
 - assessments worth more than 30% of the student's final grade
 - if the student has opened or started the test or exam
 - if a student has already used the self-reporting portal twice during the fall/winter terms

If the conditions for a Self-Reported Absence are *not* met, students will need to provide a Student Medical Certificate (SMC) if the absence is medical or provide appropriate documentation if there are compassionate grounds for the absence in question. Students are encouraged to contact their Faculty academic counselling office for more information about the relevant documentation. It is strongly recommended that students notify the instructor as soon as possible, ideally before the assessment, when they become aware of an absence. University policy is that students must communicate with their instructors no later than 24 hours after the end of the period covered by the SMC or immediately upon their return from their documented absence. Failure to follow University policy and procedures may result in denial of academic accommodation and a grade of zero.

- **Documentation for Accommodation:** Individual instructors are not permitted to receive documentation directly from a student, whether in support of an application for consideration on medical grounds or for other reasons. **All required documentation for absences that are not covered by the Self-Reported Absence Policy must be submitted to the Academic Counselling office of a student's Home Faculty.**
- **Western University policy on Consideration for Student Absence** is available here: [Policy on Academic Consideration for Student Absences - Undergraduate Students in First Entry Programs.](#)
- **Student Medical Certificate (SMC):** This form is available here: http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf
- **Religious Accommodation:** Students should consult the University's list of recognized religious holidays and should give reasonable notice in writing, prior to the holiday, to the Instructor and an Academic Counsellor if their course requirements will be affected by a religious observance. Additional information is given in the [Western Multicultural Calendar.](#)

Policy Regarding Class Attendance and Engagement: If the instructor deems a student's attendance or engagement in the class to be unsatisfactory, that student may be prohibited from writing the final examination. Examples of unsatisfactory class engagement include frequent absences from an in-person or synchronous online class, lack of assignment submissions, and inadequate use of online course materials. Instructors who intend to make use of this policy will notify the student in advance.

Statement on Mental Health and Support Services: Students under emotional/mental distress should visit https://uwo.ca/health/mental_wellbeing/ for more information and a complete list of resources on how to obtain help.

Statement on Remote Proctoring: While Western intends to hold most classes, mid-terms and finals in-person, the London-Middlesex Health unity may require western to teach in a remote format. If this occurs, all assessments will be done remotely and may involve the use of remote proctoring software (i.e., Proctorio, ProctorTrack). Instructors will provide information on the details should the need arise.