

Intermediate Microeconomics II
ECONOMICS EC2261B-002
Department of Economics
Western University

January 2023

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Office hours: F12:00-14:00 in person and via zoom
Delivery mode: In-person
Meeting time(s): MWF 10:30-11:30
Classroom: PAB 148
Course website: <https://owl.uwo.ca/portal>
Undergraduate inquiries: 519-661-3507 or SSC Room 4075 or econugrd@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 any of your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at <https://student.uwo.ca>. If you notice a problem, please contact your home Faculty Academic Counsellor immediately.

Prerequisite/Antirequisite Note:

This course has *EC2260* as a prerequisite and *EC2151* as an antirequisite.

The Economics Department website provides online resources to help with the mathematical prerequisites at https://economics.uwo.ca/undergraduate/undergraduate_resources/. If at any point in the course you feel insecure about these prerequisites, please reach out to me as early as possible.

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 Description:

This course is about the performance, advantages, and pitfalls of different institutions used to allocate resources, focusing on markets. We will combine tools you learned in EC2260 with new tools from Social Choice, Game Theory, and Mechanism Design. We will begin discussing ways to evaluate social outcomes from a social perspective, balancing out the preferences of different members of society. Later on, we will analyze a stylized model of perfectly competitive markets that can achieve desirable outcomes under ideal circumstances. Then, we will identify several issues that may lead to market failure, including market power, public goods, externalities, and information frictions. We will conclude by analyzing some alternative mechanisms to deal with such issues.

Course Learning Outcomes:

As a result of taking this course, the students will understand the basic microeconomic concepts and tools that are required for more advanced specialized economic courses. They will also be able to apply these concepts and tools to analyze real life economic situations. Specifically, the students will learn the most essential microeconomic concepts including Pareto efficiency, social welfare, demand and supply, competitive equilibrium, dominant strategies, Nash equilibrium, market power, collusion, price discrimination, public goods, externalities, and asymmetric information. The students will understand the determinants of demand and supply and market outcomes, including various public policies. The students will learn to identify the circumstances when the market performance is likely to be suboptimal, and which market interventions and/or alternative allocation mechanisms could help.

Tentative Course Schedule:

	<i>dates</i>	<i>textbook chapters</i>	<i>topic</i>
Reviews of 2260	—	6, 14, 15	Supply
Review of 2261	—	20, 23, 24	Demand
Lesson 1	1/9 — 1/13	34	Social Choice & Welfare
Lesson 2	1/16 — 1/20	16, 35	Partial Equilibrium
Lesson 3	1/23 — 1/27	32	General Equilibrium
Lesson 4	1/30 — 2/3	25	Monopoly
<i>Midterm 1</i>	2/8 (tentative)	—	Lessons 1 to 4
Lesson 5	2/13 — 2/17	12, 29	Expected Utility
Break	2/20 — 2/24	—	—

Lesson 6	2/27 — 3/03	18, 30	Game Theory
Lesson 7	3/06 — 3/10	28	Oligopoly
<i>Midterm 2</i>	3/15 (tentative)	—	Lessons 5 to 7
Lesson 8	3/20 — 3/24	26	Price Discrimination
Lesson 9	3/28 — 3/31	37	Efficient Mechanisms
Lesson 10	4/03 — 4/07	38	Second-Best Mechanisms
<i>Final</i>	TBA	—	Lessons 1 to 10

Textbook(s) and Course Materials:

The only mandatory reading material are the lecture notes and slides posted on OWL. If you are looking for additional reading material or problem exercise, I recommend [Varian \(2019\) *Intermediate Microeconomic Analysis with Calculus*](#), and the corresponding workbook Bergstrom & Varian (2014) *Workouts in Intermediate Microeconomics*.

Assessments and Grading:

Your final grade will be determined as follows:

- 30% from the first midterm exam to be held tentatively on *February 5*
- 30% from the second midterm exam to be held tentatively on *March 15*
- 30% from the *cumulative* final exam to be held during the finals period
- 10% from three problem sets and in-class participation

Midterm exams.— The midterm exams will be held in person from 2:30 until 4:30 in a location to be determined. There will be no make-up midterm exams. If you miss one midterm exam, I will simply transfer the weight to remaining two exams. Please try to not miss both midterms.

Problem sets.— There will be one problem set for each exam. They are meant to help you prepare for the exam. There will be a discussion forum for each problem set, and you are encouraged to ask questions and help each other out. However, you must submit your solutions individually.

MobLab.— We will employ [MobLab](#) for in-class activities. These activities are meant to help get a better grasp of some of the concepts taught in class. Your participation and performance in these activities will count towards your final grade as a fourth problem set. In order to participate in these activities, you will need an internet-enabled device such as a smart phone. You will also have to purchase an individual license.

Professionalism, Privacy, and Copyright:

Lectures and course materials, including presentation slides, lecture notes, outlines, and similar materials, are protected by copyright. Students may take notes and make copies of course materials for their own educational purposes. Students may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, wiki material, and other course materials publicly and/or for commercial purposes without written consent.

Please Note Department & University Policies for Winter 2023

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 17, 2023**
 - Deadline to drop a second term half course: **Tuesday, March 7, 2023**

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

- Academic accommodation will not be granted automatically on request. Students must demonstrate by documentation that there are compelling medical or compassionate grounds before academic accommodation will be considered. 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. Students must also book travel arrangements **AFTER** final exam dates have been posted as they must not conflict with tests or final exams.
- Unless medically incapable of doing so, students must notify their instructor prior to the test date or at least within **24 hours** when requesting a makeup exam. Failure to follow this procedure may result in denial of academic accommodation and a grade of zero. Students should also set up an appointment as soon as possible to meet with their instructor. If the instructor is not available, send an email message to the instructor, copying the Undergraduate Coordinator at econugrd@uwo.ca. **Notifying instructors of a missed exam does not automatically entitle students to a makeup.**

- For medical illnesses, students may consult Student Health Services and request a Student Medical Certificate from the physician. If assessed by an off-campus doctor, students must obtain a certificate from his/her office at the time of the visit/assessment. Student Medical Certificate (SMC) is available here:
https://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf
- **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.
- **Western University policy on Consideration for Student Absence** is available here:
https://counselling.ssc.uwo.ca/procedures/probation_rtw/appeals.html
- **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 http://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.