CARLETON UNIVERSITY, Department of Economics
ECON 4020 A – Advanced Microeconomic Theory

Fall Term 2018

Instructor: Professor Zhihao Yu
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Lecture Hours: WEDNESDAYS (11:35am-2:25pm)
Office Hours: Wednesdays: 2:45pm-3:45pm in Loeb A810

Prerequisites
ECON 2020 (or ECON 2009) and ECON 2030 each with a grade of C+ or higher; ECON 3001 (or MATH 2000 or MATH 2004) with a grade of C+ or higher; and ECON 2220 (or equivalent, or STAT 2605 or STAT 3502), which may be taken concurrently with ECON 4020."

Objectives
The aim of this course is to provide a rigorous analysis of the behaviour of economic agents in production, consumption, and exchange (general equilibrium model). Other selected topics will also be discussed as time allows. Mathematical tools will be employed in the exposition of these topics.

Required Text

Suggested second-year level textbooks (for those who would like to review some basic materials)

EVALUATION:
Weekly homework (your booklet) and class participation: 5%
Midterm 1: 40%
Midterm 2: 45%
End-of-term Exercise: 10%

Note: No course grades are final until approved by the Faculty Dean.

EXAMINATIONS:
There are two in-class midterm exams for this course. The schedules of the two midterms will be announced on CULearn by the end of September.
**Important:** (i) You will be accommodated for missing a midterm/exam only for a documented compelling reason. You, or your representative will have to notify the instructor within 24 hours via email or voice mail, followed by the document (e.g. a Doctor’s note) within 3 days.

(ii) Furthermore, if you miss the first mid-term examination, the assigned weight will be added to the second mid-term examination (no makeup will be offered) and, in that case, you will write a combined exam (Midterm 1&2); if you miss the second midterm examination (or the combined Midterm 1&2), a deferred Exam will be automatically scheduled in the following week (exactly the same time slot) in Economics Department. A maximum of one missed midterm is permitted.

**Assignments/Class Participation**
I will specify “selected exercises” from each chapter in the textbook (see the details below). Please do all the exercises using one booklet (or stapled together). I will often collect your exercise booklet to evaluate your effort.

In addition, students will be expected come to each class having read thoroughly the relevant chapters in the required textbook (see “Course Outline and Reading List” below). The instructor will cover only the most important aspects of each chapter in class. At any given point in time during the term, unless the instructor has specified otherwise, students will be responsible for all the material in the chapters that have been covered prior to that point.

**Plagiarism**
Please be aware that plagiarism is serious offence at Carleton and should be recognized and avoided. For further information on how to do so, please see “Pammett on Plagiarism and Paraphrasing” at www.carleton.ca/economics/courses/writing-preliminaries/

**Academic Accommodation:**
You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

**Pregnancy obligation**
Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

**Religious obligation**
Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

**Academic Accommodations for Students with Disabilities**
If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or pmc@carleton.ca for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made. carleton.ca PMC

**Survivors of Sexual Violence**
As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and is survivors are supported through academic accommodations as per Carleton’s Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: carleton.ca/sexual-violence-support
Accommodation for Student Activities
Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf

For more information on academic accommodation, please contact the departmental administrator or visit: students.carleton.ca/course-outline

Course Outline and Reading List

I. Production

Introduction: Math Review (Ch. 26, 27)
Technology: Ch. 1 (Exercises 1.2, 1.3, 1.4, 1.5, 1.6, 1.8)
Profit Maximization: Ch. 2. (Exercises: 2.2, 2.4, 2.7)
Profit Function: Ch. 3 (Exercises: 3.2, 3.4)
Cost Minimization: Ch. 4 (Exercises: 4.4, 4.6, 4.8)
Cost Function: Ch. 5 (Exercises: 5.2, 5.4, 5.6, 5.8)

II. Consumption

Utility Maximization: Ch. 7 (Exercises: 7.2, 7.4) excluding Sec. 7.5
Consumer Choice and Demand: Ch. 8 (excluding Sec. 8.5-8.11) and Sec. 9.2 in Ch. 9 (Sec. 9.2 only); Exercises: 8.6, 8.8, 8.10

III. Firm(s) and Market

Competitive Markets: Ch. 13 (Sections 13.1-13.5, 13.12 only); Exercises: 13.4, 13.6

IV. General Equilibrium and Other Selected Topics

Exchange: Ch. 17 (excluding Sec. 17.5); Exercises: 17.4
Externalities: Ch. 24 and other readings (TBA in class); Exercises: 24.1