Course Description

Advanced theory of individual economic behaviour in production, consumption, and general equilibrium. Elementary tools of mathematics are employed in the exposition of most topics.

Precludes additional credit for ECON 4200 (no longer offered).

Prerequisite(s): ECON 2020 (or ECON 2009) and ECON 2030 each with a grade of C+ or higher or ECON 2002 (no longer offered) and ECON 2003 (no longer offered) each with a grade of C+ or higher; ECON 2400 (or MATH 2000 or MATH 2004) with a grade of C+ or higher; and ECON 2202 (or equivalent, or STAT 2605 or STAT 3502), which may be taken concurrently with ECON 4020. Students who believe they have taken a similar background course or courses from another university must provide appropriate documentation to the Department of Economics Undergraduate Advisor, Amanda Wright.

A grade of C- or higher is required to qualify for ECON 4901.

Required Text


Other References


Topics

I. Producer Theory

- Production technology
- Profit maximization
- Profit function
- Cost minimization
- Cost function

Varian: Chapters 1, 2, 3, 4, 5

II. Consumer Theory

- Utility maximization and indirect utility function
- Expenditure minimization and expenditure function
- Marshallian and Hicksian demand functions
- Slutsky equation and Slutsky matrix
- Endowments in the budget constraint
- Compensating and equivalent variations
- Consumer surplus

Varian: Chapters 7, 8, 9, 10

III. Equilibriums

- Competitive markets
- General equilibrium

Varian: Chapters 13, 17, 18

Evaluation

Midterm Examination I: 30% (To be held in class on February 6)
Midterm Examination II: 30% (To be held in class on March 11)
Final Examination: 40% (To be scheduled by Scheduling and Examination Services)

Standing in a course is determined by the course instructor, subject to the approval of the Faculty Dean. This means that grades submitted by the instructor may be subject to revision. No grades are final until they have been approved by the Dean.

Academic Accommodation

You may need special arrangements to meet your academic obligations during the term because of disability, pregnancy or religious obligations. Please review the course outline promptly and write to me 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.

Students with disabilities requiring academic accommodations in this course must register with the Paul Menton Centre for Students with Disabilities (PMC) for a formal evaluation of disability-related needs.
Documented disabilities could include but are not limited to mobility/physical impairments, specific Learning Disabilities (LD), psychiatric/psychological disabilities, sensory disabilities, Attention Deficit Hyperactivity Disorder (ADHD), and chronic medical conditions. Registered PMC students are required to contact the PMC, at 613-520-6608 or pmc@carleton.ca, every term to ensure that your Instructor receives your Letter of Accommodation, no later than two weeks before the first assignment is due or the first in-class test/midterm requiring accommodations. If you only require accommodations for your formally scheduled exam in this course, please submit your request for accommodations to PMC by March 7, 2014.

You can visit the Equity Services website to view the policies and to obtain more detailed information on academic accommodation at [www.carleton.ca/equity/accommodation](http://www.carleton.ca/equity/accommodation).