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).

Prerequisites: 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 Administrator, Amanda Wright.

A grade of C- or higher is required to qualify for ECON 4901. DEF(erred final grade) status at the end of this course precludes (continued) registration in any other course for which the former is a prerequisite.

Required Text


Other References


Topics

I. Producer Theory

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

III. Equilibriums

- Competitive markets
- General equilibrium

Evaluation

Midterm Examination I: 25% (To be held in class on February 10)
Midterm Examination II: 25% (To be held in class on March 17)
Final Examination: 50% (To be scheduled by Scheduling and Examination Services)

Students who can document a compelling reason for missing a midterm examination will write a make-up examination within two weeks of the original examination. Students must inform the instructor of such an absence in advance, if possible. Application to write a deferred final examination must be made at the Registrar’s Office.

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.

Tutorials

Weekly tutorials will be conducted to demonstrate the applications of concepts and theories presented in classes.

Course Materials

Classroom teaching and learning activities, including lectures, discussions, presentations, etc., by both instructors and students, are copy protected and remain the intellectual property of their respective authors. All course materials, including PowerPoint presentations, outlines, and other materials, are also protected by copyright and remain the intellectual property of their respective authors.

Students registered in the course may take notes and make copies of course materials for their own educational use only. Students are not permitted to reproduce or distribute lecture notes and course materials publicly for commercial or non-commercial purposes without express written consent from the copyright holder(s).