

Economics 4020A: Advanced Microeconomic Theory

Carleton University, Economics

Fall 2026

Instructor: Eric Stephens

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Loeb Building D898

Meeting Times:

Lecture: In person, Wednesdays and Fridays, 8:35-9:55a.m, for location see Carleton Central.

Tutorial: In person, Fridays, 10:05a.m-11:25a.m, for location see Carleton Central.

Office hours: In person, Loeb D-898, Wednesdays, 2:30-4pm.

Website: Accessible at <https://brightspace.carleton.ca>

Course Objectives:

This course provides a more advanced and detailed analysis of the microeconomic concepts studied in previous classes. It is intended to familiarize students with the economic approach to the study of human behaviour.

Prerequisites:

ECON 2020 (or ECON 2009) and ECON 3020 (or equivalent) each with a grade of C+ or higher; ECON 3001 (or MATH 2001 and MATH 2002, or MATH 2004) with a grade of C+ or higher; and ECON 3210 (or ECON equivalent, or STAT 2605 or STAT 3502), which may be taken concurrently with ECON 4020. This is an advanced class and students are assumed to be comfortable with the use of calculus (e.g., the differentiation of multivariable functions, constrained and unconstrained optimization, comparative statics). If you are unsure of your background please see me to discuss whether the course is appropriate for you.

Topics:

The following outlines the list of major topics to be discussed throughout the semester. The amount of time devoted to each will vary.

1. Introduction
2. Consumer Theory
3. Theory of the firm
4. Partial Equilibrium
5. General Equilibrium
6. Information and Contracts
7. Welfare economics and social choice (time permitting)
8. Public Goods and Externalities (time permitting)

Readings and Textbooks:

The course will follow *Advanced Microeconomic Theory*, by G. Jehle and P. Reny, Pearson, 3rd edition, 2011. The text is available at the bookstore and a new copy currently has a regular price on Amazon of \$120. A second hand copy is fine, but note that with older editions some topics and recommended questions may have different labels or not be available. Other than text questions, practice assignments and supplementary materials will be posted on the course web-page. Alternative expositions of similar ideas can be found in the following:

1. *Microeconomics Analysis*, by H. Varian, Norton, 1992.
2. *Microeconomics*, by H. Gravelle and R. Rees, 2004.
3. *Microeconomics with Calculus*, by B.R. Binger and E. Hoffman, Addison Wesley, 1998.

Grading:

Marks are based on a participation grade, two midterm exams, and one final exam (**all exams are cumulative**). Midterm exams are written in class, while the final examination will be scheduled by the University. All exams are in-person, weights are as follows:

Table 1: *

Grading Scheme 1

Participation / assignments	10 %
Midterm I - October 16 th	20 %
Midterm II - November 27 th	30 %
Final	40 %

Table 2: *

Grading Scheme 2

Participation / assignments	10 %
Midterm II - November 27 th	40 %
Final	50 %

Grades for the first midterm exam will be counted only if they increase the student's grade. In other words, I will calculate each students final grade using both schemes and take the highest of the two.

Assignments will be posted on the course website and will be graded pass or fail. Students must hand in their own assignments and those making a reasonable attempt at all questions will receive a pass. Students are also encouraged to work through as many textbook problems as possible, especially those suggested by the instructor, since working through problems is the best way to learn the course material.

There will be no make-up midterm exams. Students who can document a compelling reason for missing a midterm examination will be excused. Students must inform the instructor of such an absence in advance if possible. The weight of an examination missed for valid reasons will be evenly distributed between the remaining examinations. Should the final exam be missed for any reason, a grade of 0 will be assigned and the student must arrange for the possibility of a deferred examination through the Registrar's Office within 3 working days of the exam. If granted by the Registrar's Office, this exam will take place during the time designated in the Calendar. Special final exams will not be given.

See Academic Regulation 3.2 for the official meanings of final grades, and note that regulations stipulate that no course grades are final until approved by the Faculty Dean. Further, course grades may be scaled upwards or downwards in a rank-preserving manner to better fit the relevant departmental distributional norm.

Plagiarism:

Please be aware that plagiarism is serious offence at Carleton and should be recognized and avoided. The following is an excerpt from Carleton's Academic integrity policy:

"The University Academic Integrity Policy defines plagiarism as 'presenting, whether intentionally or not, the ideas, expression of ideas or work of others as one's own.' This includes reproducing or paraphrasing portions of someone else's published or unpublished material, regardless of the source, and presenting these as one's own without proper citation or reference to the original source. Examples of sources from which the ideas, expressions of ideas or works of others may be drawn from include but are not limited to books, articles, papers, literary compositions and phrases, performance compositions, chemical compounds, artworks, laboratory reports, research results, calculations and the results of calculations, diagrams, constructions, computer reports, computer code/software, material on the internet and/or conversations."

For further information, please see <https://carleton.ca/registrar/academic-integrity/>.

Statement on Mental Health:

"As a student you may experience a range of mental health challenges that significantly impact your academic success and overall well-being. If you need help, please speak to someone. There are numerous resources available both on- and off-campus to support you. For more information, please consult <https://wellness.carleton.ca/>"

Course Copyright:

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

Accomodation Statement:

“Carleton is committed to providing academic accessibility for all individuals. You may need special arrangements to meet your academic obligations during the term. The accommodation request processes, including information about the Academic Consideration Policy for Students in Medical and Other Extenuating Circumstances, are outlined on the Academic Accommodations website (students.carleton.ca/course-outline).”