



**MGEC02H3 — All sections**  
**Topics in Price Theory**  
**Fall 2022**

This version: 2022-10-27 – [Latest version](#)

**Instructor Contact Information:**

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**Name:** Dr Patrick Blanchenay  
**Office:** N/A  
**Office hours:** Virtual, Fridays 3.30-4.30pm [[Sign-up sheet](#)] [[Zoom link](#)] Passcode: mgec02  
**Email:** [patrick.blanchenay@utoronto.ca](mailto:patrick.blanchenay@utoronto.ca) (First, read “Communication Policy” section below)  
**Telephone:** N/A  
**Class day/time:** L01: Thu 2-5pm in IC 212; L02: Fri 9am-12pm in IC 208  
**Tutorial day/time:** N/A

**Course website:** <https://q.utoronto.ca/courses/267973>  
**Piazza Q&A:** <https://piazza.com/utoronto.ca/fall2022/mgrec02h3f20229> or via Quercus

**Course Description:**

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MGEC02H3 is an intermediate level course in microeconomics at UTSC, building on MGE02. Microeconomics allows us to analyze real-world situations like an economist. Why did Ontario choose a monopoly (LCBO) to manage alcohol distribution? Why do companies portray their product as different from their competitors? Why are touristy restaurants worse than those who cater for locals? Why is it difficult for an unknown brand to sell a product online? In this course, you will learn to choose appropriate models to analyze specific questions based on real-world situations, in a systematic way, and interpret their results to answer your initial question. Topics covered include: monopoly, pricing strategies, product differentiation, strategic interactions & game theory, situations of imperfect information (see detailed outline below).

**Organization of the Course:**

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The course is delivered through in-person weekly meetings, that will consist of a mix of lecture and activities. Each week, a new topic is discussed, building on previous material. The meetings are not recorded, and attendance is mandatory. There are no separate tutorials.

**Prerequisite(s):**

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[MGE02H3](#) and [[MATA29H3](#) or [MATA30H3](#) or [MATA31H3](#) or [MATA32H3](#)] and [[MATA33H3](#) or [MATA35H3](#) or [MATA36H3](#) or [MATA37H3](#)]

## **Textbook/Required Course Materials:**

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*Microeconomics*, 3rd edition. by Goolsbee, Levitt, and Syverson, published by Macmillan Learning. I refer to this textbook as “GLS”.

Anything assigned from the textbook is fair game for the tests and exam, including appendices, exercises, etc. You can use earlier editions, but it is your responsibility to check that the material corresponds to the latest (3<sup>rd</sup> edition).

More instructions are available on Quercus on how to order digital access. We will not be making use of the publisher's online portal: *Achieve*. You may however find it useful to use the extra resources provided on that portal.

## **Lecture Notes and Other Announcements:**

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All course material and announcements are managed through our [Quercus webpage](#). Partial slides and handouts are posted ahead of every meeting. I take notes on the slides during class, and you will work on questions from handouts in class. please bring a paper or digital copy with you to class. Annotated slides will be posted with a delay for students unable to attend. Modern pedagogy tells us that you acquire, process, and retain new material better if you actively engage with the material; taking your own notes is therefore **strongly encouraged**.

## **Overall Evaluation and Grading:**

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<b>Component</b>	<b>Weight/Value</b>	<b>Due Date</b>
4 quizzes	15%	Class time: weeks 3, 6, 9 and 11
Class engagement	5%	Weekly
Midterm test	30%	TBC, week 7
Cumulative final exam	50%	December examination period.

**Four quizzes** will take place during class time on the dates indicated. Format and examinable material will be announced prior to each quiz. The best 3 out of 4 quizzes will be used in your final grade computation.

**Class engagement** is based on submitting, in class, a short questionnaire related to that week’s material or the previous week’s material. Any submission showing decent effort, even if incorrect, will earn 1pt. Failure to submit, submitting an empty form, or a gross under effort, will earn 0pt. The grade is based on the best 10 out of 12 weeks.

Details about the format of the **midterm** and **final exam** will be posted in due course on Quercus. The final exam is cumulative (on the whole course material).

Management, 1265 Military Trail, Toronto, ON, M1C 1A4, Canada  
[www.utoronto.ca/mgmt](http://www.utoronto.ca/mgmt)

## Communication Policy

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All details on our communication policy are available on our Quercus page:

<https://q.utoronto.ca/courses/267973/pages/questions-email-and-communication-policy>

1. Your primary port of call for questions related to the course content should be our **Piazza discussion board**: <https://piazza.com/configure-classes/fall2022/mgec02h3f20229>. The focus of Piazza is on student-to-student interaction: you are encouraged to answer your classmates' questions, an excellent of checking and fortifying your own understanding. Your questions can be anonymous to your classmates (but not to the teaching team). The TAs and myself will check on the board at regular intervals. Piazza has the benefit of mutualizing our knowledge (if you have a question, likely someone else does too, so we can kill two birds with one stone).

2. I also hold a weekly **virtual office hour**, using Zoom on Fridays 3.30-4.30pm, starting on Fri 09 Sep. (except Fri 14 Oct).

- Sign-up before Friday noon here: <https://uoft.me/mgec02-officehour-signup-fall2022>  
Zoom link: <https://utoronto.zoom.us/j/85731019680> — passcode: mgec02

3. Finally, if neither of these options are suitable (e.g. you need to discuss a private or sensitive matter), please send me an email at [patrick.blanchenay@utoronto.ca](mailto:patrick.blanchenay@utoronto.ca) and we can set up an appointment (likely virtual).

- Any email must include "MGEC02", your first name (as on ACORN), FULL NAME (capitalized, as on ACORN), and your Student number.
- Email is very time consuming for me, a time that is better spent improving the course material, so I do ask you to limit email communications as much as possible.

Please do not use Quercus messaging system – I do not check it.

## Course-specific Accommodations:

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Annotated slides will be provided for students unable to attend a meeting. You are also encouraged to get in touch with your classmates, ask on Piazza, and come to drop-in hours. Meetings are not recorded.

## Policy on Missed Assignments/Examinations:

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Students are expected to declare their absence on ACORN. The marking scheme includes multiple accommodations for missed term work. It acknowledges the continuous space of reasons for missing or doing poorly on assessments, where most are hard to credibly document or are personal. This puts the responsibility on you to manage your time and life to succeed in the course.

- Dropping the lowest quiz, and the 2 lowest participation marks is automatic, to accommodate who cannot write due to illness, injury, or personal problems.
- For students missing the term test, the weight will be pushed on the in-class quiz (+15%, then worth 30%) and the final exam (+15%, then worth 65%). The lowest quiz score remains dropped.

**You do not need to provide medical documentation or reasons for missing meetings or assessments.**

**=== PLEASE MAKE ALL EFFORTS TO TAKE ALL ASSESSMENTS. ===** Feeling unprepared to write a test or quiz is not a good enough reason not to do it. This is however, a sign that you may benefit from accessing academic skill resources to help you be prepared; get in touch to get support!

Students who require more accommodations than what is already described above are encouraged to get in touch with AACC, AccessAbility Services, and/or Health & Wellness for proper support **AS SOON AS ABLE**.

## **Statement on Equity, Diversity, and Inclusion (EDI)**

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The University of Toronto is committed to equity, human rights and respect for diversity. All members of the learning environment in this course should strive to create an atmosphere of mutual respect where all members of our community can express themselves, engage with each other, and respect one another's differences. U of T does not condone discrimination or harassment against any persons or communities.

If you have questions or concerns on issues related to EDI, please contact the Equity, Diversity and Inclusion Office: <https://www.utsc.utoronto.ca/edio/>

## **Academic Support**

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### **UTSC Library:**

Management students can access library services at The BRIDGE, located in IC 108. The BRIDGE offers programs and services to support students, staff, and faculty in their studies, research projects, and experiential learning initiatives. <https://www.utsc.utoronto.ca/thebridge/>

Visit The BRIDGE to:

- Access the finance & data lab, including specialized software and Bloomberg terminals
- Participate in events and competitions
- Get research and data analytics help
- Access data and academic research tools and tutorials
- Get support in entrepreneurship and the New Venture Program
- Learn more about Work Integrated Learning

To find out more about the UTSC Library's support for students visit: <https://utsc.library.utoronto.ca/>

For all other inquiries, please email [thebridge@utsc.utoronto.ca](mailto:thebridge@utsc.utoronto.ca) or email your Liaison Librarian, Mariana Jardim [mariana.jardim@utoronto.ca](mailto:mariana.jardim@utoronto.ca)

### **Health & Wellness Centre:**

The Health & Wellness Centre provides professional and confidential medical, nursing, counselling, health promotion, and education services to all UTSC students. These services are offered in a safe, caring, respectful, and empowering environment that is directed toward optimizing your personal, academic, and overall wellbeing.. To access these services, please use the following url: <https://www.utsc.utoronto.ca/hwc/> and when visiting the Health & Wellness Centre, please bring a valid T-card and Health card.

### **Academic Advising and Career Centre:**

Management, 1265 Military Trail, Toronto, ON, M1C 1A4, Canada  
[www.utsc.utoronto.ca/mgmt](http://www.utsc.utoronto.ca/mgmt)

The Academic Advising and Career Centre (AA&CC) at UTSC integrates developmental advising, learning/study skills, career counselling, and employment coaching. To reach out to them please use the following url: <https://www.utsc.utoronto.ca/aacc/>

### **AccessAbility Services**

The University provides academic accommodations for students with disabilities in accordance with the terms of the Ontario Human Rights Code. This occurs through a collaborative process that acknowledges a collective obligation to develop an accessible learning environment that both meets the needs of students and preserves the essential academic requirements of the University's courses and programs.

Students with diverse learning styles and needs are welcome in this course. If you have a disability that may require accommodations, please feel free to approach me and/or the Accessibility Services office. <https://www.utsc.utoronto.ca/ability/welcome-accessability-services>

### **English Language Development Centre:**

The English Language Development Centre (ELDC) helps students develop the critical thinking, vocabulary and academic communication skills essential for achieving academic and professional success. Personalized support includes: RWE (for academic writing); Communication Cafés (oral); Discussion Skill-Building Cafés; Vocabulary Cafés; seminars/workshops; personal ELD consultations; drop-in sessions. <https://www.utsc.utoronto.ca/ctl/english-language-development-support>

### **The Writing Centre:**

The Writing Centre (TWC) offers invaluable services to students (learn to become a better writer!) and offers many different kinds of help: drop-in sessions, individual consultations, workshops, clinics, and online writing handouts. <https://www.utsc.utoronto.ca/ctl/writing-support>

For other academic support from the university, please check <https://www.utsc.utoronto.ca/ctl/academic-learning-support>

## **Academic Misconduct**

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**Academic integrity** is essential to the pursuit of learning and scholarship in a university. The University treats cases of cheating and plagiarism very seriously. The University of Toronto's Code of Behaviour on Academic Matters

(<http://www.governingcouncil.utoronto.ca/Assets/Governing+Council+Digital+Assets/Policies/PDF/ppjun011995.pdf>) outlines the behaviours that constitute academic dishonesty and the processes for addressing academic offences. Any student caught engaging in such activities will be subject to academic discipline ranging from a mark of zero on the assignment, test or examination to dismissal from the university as outlined in the Code of Behavior on Academic Matters. Any student abetting or otherwise assisting in such misconduct will also be subject to academic penalties. If you like to find out more information regarding university advice for 'How not to plagiarize', please use the following url: <https://advice.writing.utoronto.ca/using-sources/how-not-to-plagiarize/>

More generally, the link below includes a lot of useful advice for students on academic writing: <https://advice.writing.utoronto.ca/>

For information and resources on Academic Integrity, visit: <https://www.utsc.utoronto.ca/vpdean/faq-0>

## Detailed Course Outline:

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	<b>LEC01 (Thu)</b>	<b>LEC02 (Fri)</b>	<b>Topic</b>	<b>Readings</b>	<b>Assessments</b>
Week 1	2022-09-08	2022-09-09	Monopoly, Monopsony	GLS Ch 9, including appendix, and ch. 13 section 6	
Week 2	2022-09-15	2022-09-16	Price Discrimination	GLS Ch 10.	
Week 3	2022-09-22	2022-09-23	Static Game Theory	GLS Ch 12 sections 12.1 and 12.2	Quiz
Week 4	2022-09-29	2022-09-30	Dynamic Game Theory	GLS Ch 12 section 12.4. (Note: we will cover again section 12.3 on repeated games, and 12.5 on commitment, when discussing oligopolies.)	
Week 5	2022-10-06	2022-10-07	Oligopoly 1	GLS Ch 11 section 1 to 6 (not section 11.7).	
	2022-10-10 to 2022-10-14		<b>Thanksgiving and Reading week</b> (no class, no assessment, no office hour)		
Week 6	2022-10-20	2022-10-21	Oligopoly 2	GLS Ch. 12 sections 12.3, 12.5.	Quiz
Week 7	<i>Exact date &amp; time to be announced</i>		<b>Midterm</b>		
Week 8	2022-11-03	2022-11-04	Product Differentiation	GLS ch.11 section 6.	
Week 9	2022-11-10	2022-11-11	General Equilibrium	GLS ch. 15	Quiz
Week 10	2022-11-17	2022-11-18	Adverse Selection	GLS ch. 16.1, 16.4	
Week 11	2022-11-24	2022-11-25	Moral Hazard	GLS ch. 16.2, 16.3	Quiz
Week 12	2022-12-01	2022-12-02	Externalities	GLS ch. 17	
	<b>Dec. 8 - 20</b>		<b>Cumulative Final exam</b>		

The assessment dates are fixed, but the schedule of topics is subject to change; all changes are announced on Quercus.