

ECO 380N
Urban Economic Theory

P. W. Wilson

Textbook:

- M. Fujita (1989), *Urban Economic Theory: Land Use and City Size*, Cambridge: Cambridge University Press.

Urban Economics adds two dimensions to standard microeconomic theory: time and space. This course will examine the market forces that cause individuals to cluster in urban places, as well as some of the externalities created by this clustering. The focus of the course will be on analytical, modelling skills as well as the specific topics listed in the outline below. This course will examine both theoretical and empirical papers.

Course Outline

- I. Spatial Economic Activity
 - A. Introduction
 - B. Residential Location Theory
 - C. Agglomeration and Scale Economies
 - D. Urbanization, Development, Etc.
 - E. Non-Monocentric Models
 - F. Empirical Analyses of Agglomeration
 - G. Ethnicity, Race, and Location

- II. Transportation and Congestion
 - A. Scheduling and Travel Time Costs
 - B. Pricing and Optimal Capacity
 - C. Location and Travel Behaviour
 - D. Land Allocation Under Congestion: Location Theory Revisited

- III. Regional Spatial Economic Activity
 - A. Distance and Economic Interaction
 - B. Location Decisions of Firms
 - C. Spatial Competition and Market Areas

Course requirements include (i) several presentations and class participation, (ii) a paper, and (iii) a final exam. Grades will be determined by weighting (i)–(iii) approximately equally.

Grades will be assigned in accordance with policies adopted by the Economics Department Graduate Studies Committee in spring, 1996. In addition to letter grades, + and – symbols will be used and recorded by the Department (pluses and minuses do not count in calculation of students' GPAs by the university). Assigned grades will indicate performance as follows:

- A+* Extraordinary performance (rarely given).
- A* Good performance.
- A–* Satisfactory performance; performance level that would yield a “Pass” on comprehensive exams.
- B+* Performance near the margin; close to the minimum performance level required to pass comprehensive exams.
- B* Weak performance; will require intensive study to pass comprehensive exams.
- B–* Poor performance; well below the level needed to pass comprehensive exams.
- C* Failing grade.