

UNIVERSITY OF WATERLOO
Department of Economics
Economics 101(02) - Introduction to Microeconomics

Angela Trimarchi

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Office Hours: **T** 12:30-2:30 p.m. **Th** 12:30-1:30 p.m.
Class Meetings: **TTh:** 10:00-11:20 a.m.
Location: DC1351
Course Webpage: <http://economics.uwaterloo.ca/fac-Trimarchi.html>
Angel Website: <http://uwace.uwaterloo.ca/>

Required Text:

Parkin, Michael, and Robin Bade, Microeconomics: Canada in the Global Environment, 7th Edition, Addison Wesley Publishers Limited, 2010. ISBN 9780321563880

Study Guide:

Study Guide, (to accompany Parkin and Bade), 7th Edition, Addison Wesley Publishers Limited, 2010. 9780321615985

Course Objectives:

This course analyzes the decision-making of individual households and firms in a market economy, with an emphasis on the use of the price mechanism to allocate resources. The course will include applications to relevant economic policy.

Economics is about choices. None of us has enough money, time or energy to do all that we would like to do. Our resources are scarce and we have to choose to use those resources so that we can maximize our satisfaction within these constraints.

Microeconomics is the study of individual behaviour. Demand, supply, production, perfect competition and monopoly are the topics of interest to microeconomists. We will be studying these topics in the course and applying the theoretical framework to applied questions such as what happens when rent controls are imposed on apartments.

Course Outline:

I. Introduction

Chapter 1: What is Economics?
Chapter 1: Appendix - Graphs in Economics (optional)
Chapter 2: The Economic Problem

Comments:

Chapter 1:

Omit reading: "How can choices made in the pursuit of self-interest also promote social interest?" pages 3, 5

Omit reading: "The Information Age Economy", "Global Warming", "Natural Resource Depletion" and "Economic Instability" pages 6 and 7

Chapter 2:

Omit reading: "Using Resources Efficiently" pages 35-37

II. How Markets Work

Chapter 3: Demand and Supply
Chapter 4: Elasticity
Chapter 6: Government Actions in Markets

Comments:

Chapter 4:

There is a typo on page 89 paragraph 2 where elastic demand is described as the percent change in price being greater than the percent change in quantity. This is incorrect. For elastic demand the opposite is true.

Chapter 6:

*Omit reading: "Inefficiency of a Rent Ceiling" page 131
Omit reading: "Are Rent Ceilings Fair?" page 132
Omit reading: "Inefficiency of a Minimum Wage" pages 133-134
Omit reading: "Is the Minimum Wage Fair?" page 134
Omit reading: "A Tax on Buyers" page 136 and Figure 6.6 page 137
Omit reading: "Taxes and Efficiency" page 139
Omit reading: "Taxes and Fairness" page 140
Omit reading: "Markets for Illegal Goods" pages 144-145*

III. Households' Choices

Chapter 8: Utility and Demand

Comments:

Chapter 8:

*Omit reading: "The Paradox of Value" page 191
Omit reading: "Temperature: An Analogy" page 192
Omit reading: "New Ways of Explaining Consumer Choices" pages 194-195*

IV. Firms and Markets

Chapter 11: Output and Costs
Chapter 12: Perfect Competition
Chapter 13: Monopoly
Chapter 14: Monopolistic Competition
Chapter 15: Oligopoly
Chapter 10: pages 237-242

Comments

Chapter 11:

*Omit reading: "External Economies and Diseconomies" pages 287-289
Omit reading: "Competition and Efficiency" pages 290-291 for now. This topic will be covered when I talk about the "Inefficiency of Monopoly" in Chapter 13*

Chapter 13:

*Omit reading: "Rent Seeking" pages 308-309
Omit reading: "Monopoly Regulation" pages 313-315*

Chapter 15:

*Omit reading: "A Sequential Entry Game in a Contestable Market" pages 356-357
Omit reading: "Anti-Combine Law" pages 358-362*

Chapter 10: pages 237-242

This reading is useful to review the different types of market structure studied in Chapters 12 to 15 inclusive.

Course Evaluation

The course evaluation will consist of two (2) midterm tests and a final examination.

Exam	Date	Time	Weight
Midterm 1	Friday, May 20 th 2011	T.B.A.	25.0%
Midterm 2	Friday, June 17 th 2011	T.B.A.	25.0%
Final	Scheduled by the Registrar's Office		50.0%

Student Responsibilities Prior to Midterms

Students are responsible for attending lectures prior to midterm dates and checking UW-ACE (click the **Lessons tab** and choose the folder **Midterm Information**) to confirm the chapters on each test.

Make-Up Policy

There is no deferred mid-term exam. Students who are unable to write a mid-term because of documented personal illness or other sufficient cause, will transfer the weight of that exam to the final. *A student who misses a mid-term must go to see the instructor in person with an original document within 48 hours of the midterm exam.* In the absence of sufficient cause, failure to write a mid-term will result in a grade of zero.

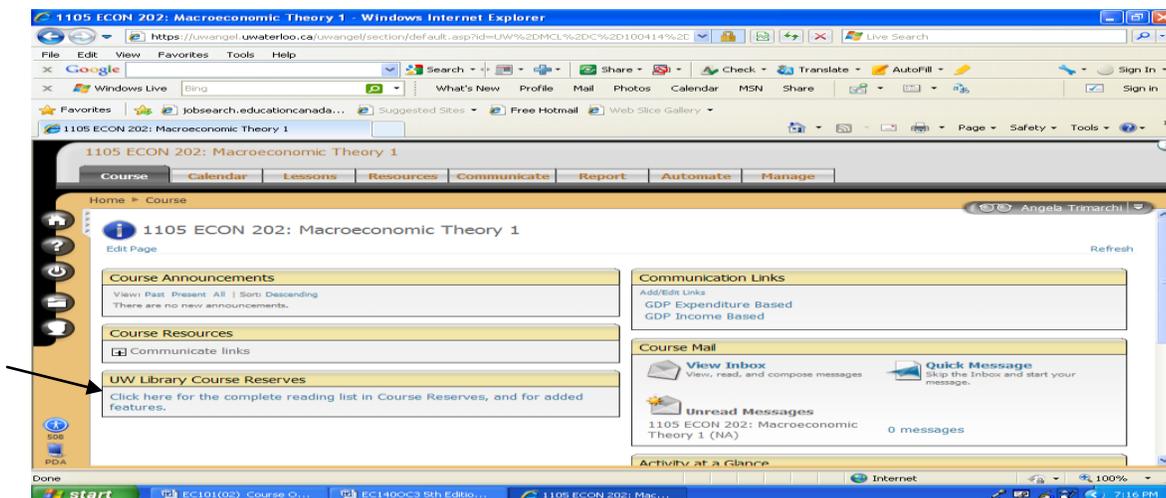
Deferred Exam Policy

Students are required to write the final exam during the final exam period. A student who misses the final exam, must petition to defer. The Deferred Exam Policy is listed on the Department of Economics website and may be accessed by clicking on the following link:

<http://economics.uwaterloo.ca/DeferredExams.html>

Course Reserves

The textbook and study guide are on reserve in the Dana Porter Library for a three (3) hour loan period. A description of the materials in Course Reserves along with the call number may be accessed directly from UW-ACE by clicking on the section "UW Library Course Reserves" (see sample diagram below).



Dealing with Plagiarism and Other Academic Offences:

Academic Integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo community are expected to promote honesty, trust, fairness, respect and responsibility.

Discipline: A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about "rules" for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on the categories of offences and types of penalties, students should refer to Policy 71 - Student Discipline, <http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm>.

Grievance: A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70 – Student Petitions and Grievances, Section 4, <http://www.adm.uwaterloo.ca/infosec/Policies/policy70.htm>.

Appeals: A student may appeal the finding and/or penalty in a decision made under Policy 70 – Student Petitions and Grievances (other than regarding a petition) or Policy 71 – Student Discipline if a ground for an appeal can be established. Read Policy 72 – Student Appeals, <http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm>

Academic Integrity Website (Arts):

http://arts.uwaterloo.ca/arts/ugrad/academic_responsibility.html

Academic Integrity Office (UW): <http://uwaterloo.ca/academicintegrity>

Accommodation for Students with Disabilities:

Note for students with disabilities. The Office for Persons with Disabilities (OPD), located in NH1132, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the OPD at the beginning of each academic term.

Cross-listed course:

Please note that a cross-listed course will count in all respective averages no matter under which rubric it has been taken. For example, a PHIL/PSCI cross-list will count in a Philosophy major average, even if the course was taken under the Political Science rubric.