

**University of Waterloo**  
**Department of Economics**  
**Econ 201 - Microeconomic Theory 1 - Section 002**  
**Spring 2017**

**Instructor:** Nafeez Fatima

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**Office Hours:** Tuesdays and Thursdays from 2.30 pm to 4.00 pm  
(other times by appointment only)

**Lecture Hours and Location:** Tuesdays and Thursdays from 5.30 pm to 6.50 pm in RCH 112

**Where to find this course outline:** This course outline is available at LEARN web site <http://learn.uwaterloo.ca/>

**Note:**

Regarding e-mail communication, students should use the university e-mail address. When sending email, "ECON 201" must appear in the subject line and the message must include your full name and ID number.

**Calendar Description**

This course offers an introduction to the theory of market based economies. Topics include consumer choice; production; price and output under perfect and imperfect competition; price discrimination and two part pricing; vertical and horizontal firm boundaries and integration; and market structure.

## **Course Objectives**

This is the first course in microeconomic theory sequence and provides an extension on the concepts developed in Econ 101 using more advanced mathematical and graphical methods. The main objective of the course is to understand how people make rational decisions within the general framework of market system. In the first part of the course, we study how consumers make choices given their constraints of budget. In the second part of the course, we focus on how producers optimize production activities guided by the principle of profit maximization. And, in the final part of the course, we study how these two groups interact in the market by combining consumer and producer choices together. Different types of market considered are perfect competition, monopoly, oligopoly and monopolistic competition. Topics of discussion include the theory of consumer behavior, the theory of the firms, different market structures and the role of government.

After completion of this course, students are expected to learn the general theoretical framework of microeconomics, understand the model based approach to study rational decision making processes of consumers and producers, and can apply these microeconomic principles and tools to analyze and resolve real life problems.

## **Prerequisites**

ECON 101 or ECON 100/COMM 103

## **Required Textbook:**

Jeffrey M. Perloff , *Microeconomics*, 7th edition, Pearson Wesley Publishers Limited, 2015

Note: earlier editions of the textbook can also be used for this course. However, students are responsible for all materials covered from the new edition of the textbook.

### **Resources**

Course related materials including lecture notes will be posted on Learn at:  
**1175 ECON 201 Spring 2017**

It is highly recommended that students attend the lectures and read the textbook. Lecture notes are provided as a supplement to the text book. The content of the exams will be announced in class and on Learn. Students are responsible for visiting this site frequently.

### **Course Evaluation**

Student evaluation for this course will consist of two in-class midterm exams and a final exam. Final exam will be comprehensive; it will include all materials covered in this course. The final exam date will be announced by the Registrar's office. The final exam period for Spring 2017 term is from July 28 to August 11. Students are expected to be available during this time. An alternative final exam time is not allowed on the ground of travel plans.

### **The Exam Schedule**

<b>Exams</b>	<b>Date</b>	<b>Time</b>	<b>Syllabus</b>	<b>Weight</b>
<b>Midterm 1</b>	<b>Tuesday, June 13, 2017</b>	<b>In-class exam</b>	<b>Chapters 2 -5</b>	<b>25%</b>
<b>Midterm 2</b>	<b>Tuesday, July 11, 2017</b>	<b>In-class exam</b>	<b>Chapters 6-9 and 11</b>	<b>25%</b>
<b>Final</b>	<b>TBA</b>	<b>TBA</b>	<b>Comprehensive exam</b>	<b>50%</b>

### **Policy for Missed Exams**

No make-up midterm exam will be provided for this course. Students who do not have a relevant medical certificate will receive a mark of zero on any missed exam and their final grade will be assigned in accordance with the formula specified above. For students who have valid medical certificate (approved by the instructor), the weight of the missed exam will be transferred to the final exam.

Students are advised to notify the instructor in person about the missed exam as soon as they are better. E-mail notification about the missed exam is not accepted.

### **Policy for Missed Final Exam**

For detailed instruction regarding missed final exam, visit the following webpage: <https://uwaterloo.ca/economics/current-undergraduates/policies-and-resources/deferred-final-exam-policy>

### **Grades**

Exam marks will be posted on Learn. Posting grades in public places or sending grades by e-mail are prohibited by university regulations.

### **Remarking Policy**

If any student feels that the exam is not marked properly, he/she must inform the instructor within 6 days of the date on which the grades are posted on Learn. Please be advised that the entire test will be remarked and the grade may improve, remain unchanged or perhaps even decrease as a result of the remarking process.

## Topics covered

**\*\*\*\*\*This course schedule is tentative. There may be addition or slight modification in this schedule given the pace of the class. \*\*\*\*\***

Chapter 2: Supply and Demand

Chapter 3: Applying the Supply and Demand Model

Chapter 4: Consumer Choice

Chapter 5: Applying Consumer Theory

Chapter 6: Firms and Production

Chapter 7: Costs

Chapter 8: Competitive Firms and Markets

Chapter 9: Applying the Competitive Model

Chapter 11: Monopoly

Chapter 12: Pricing and Advertising

Chapter 13: Oligopoly and Monopolistic Competition

## Notes

Although it is not mandatory, attendance is highly recommended. Some of the materials covered in the class will not be included in the lecture notes so it is strongly advised that students attend classes regularly. Student participation in class is also highly encouraged. Since, the course contents are technical in nature; a person to person communication is preferred to answer questions. Students are welcome to ask any questions during the regular office hours.

**Institutional-required statements for undergraduate course outlines approved by Senate Undergraduate Council, April 14, 2009**

***Academic Integrity:*** In order to maintain a culture of academic integrity, members of the University of Waterloo 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 categories of offenses and types of penalties, students should refer to [Policy 71 - Student Discipline](https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-71) (<https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-71>)

***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](https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-70) (<https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-70>), Section 4.

***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](https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-72)

(<https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-72>).

***Other sources of information for students:***

**[Academic Integrity website \(Arts\)](https://uwaterloo.ca/arts/current-undergraduates/student-support/ethical-behaviour)**

<https://uwaterloo.ca/arts/current-undergraduates/student-support/ethical-behaviour>

**[Academic Integrity Office \(UWaterloo\)](https://uwaterloo.ca/academic-integrity/)**

<https://uwaterloo.ca/academic-integrity/>

***Note for students with disabilities:*** The [AccessAbility Services](https://uwaterloo.ca/disability-services) office (<https://uwaterloo.ca/disability-services>), located on the first floor of the Needles Hall extension, 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 AS office at the beginning of each academic term.