

# UNIVERSITY OF WATERLOO

## Department of Economics

### Economics 101 (002) – Introduction to Microeconomics

#### Winter 2016

**Instructor:** Alain-Désiré Nimubona

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**Office Hours:** 4:00-5:30 p.m., T&Th

**Schedule:** 2:30-3:50 p.m., T&Th

**Room:** M3 1006

#### **Communication with the instructor:**

When e-mailing the instructor, you should always use your university e-mail address. Please also write “ECON 101-Section 002” in the subject line of the e-mail, and include your name and student ID number. Please e-mail the instructor for administrative matters only. I will not answer any questions regarding the course materials or the structure of assessment (content and/or format of midterms and final) by e-mail or phone. However, I welcome as many questions as possible during class time and/or my office hours.

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## Course Description

This course is intended to introduce students to the theory of consumer choice, the economics of production, the determination of price and output, as well as the role of the government in the market economy. This is primarily a theoretical course, but real world examples will be used whenever possible to illustrate key concepts.

## Course Objectives

At the end of the course, every student should be able to:

- Understand and apply the demand-and-supply model to explain real world problems;
- Understand consumers and producers decision-making processes;
- Analyse consumers’ wellbeing and firms’ performance in different market structures;
- Understand the rationale as well as the consequences of government intervention in the market system.

## Textbook (Required)

The students’ main support for this course will be the following textbook:

Parkin, M. and R. Bade (2016). *Microeconomics: Canada in the Global Environment*, **Ninth Edition**. Pearson.

This textbook will be available for purchase at the university bookstore. It is required that students read suggested chapters from the textbook (as provided in brackets in the course outline below) before each class.

Students who opt to use earlier versions of the textbook are responsible to make sure that they read the appropriate chapters.

Lecture notes, which will be provided as a complement - not a substitute- to the textbook, will be posted on the Waterloo Learn web site <http://learn.uwaterloo.ca>.

Any additional course materials (news, updates, announcements) will also be posted on the Learn web site. Please note that the Learn site is down occasionally. It is therefore the students' responsibility to save the course materials to their computer as soon as they are posted.

## Other Relevant Course Material (Optional)

The textbook is accompanied with a study-guide (see below) and a prepaid MyEconLab Student Access Card.

Cohen, A. and H. King/Parkin, M. and R. Bade. *Microeconomics: Canada in the Global Environment*, **Ninth Edition**. Pearson.

MyEconLab is an online homework and tutorial system that helps students to test their understanding of the course material. The use of this prepaid online service and/or the study guide is optional.

## Evaluation

- Students will be evaluated based on the following activities:
  - Two midterm tests to be written outside of class time. The midterms will cover all material discussed in class up to the midterm date. More details about the topics to be reviewed for each midterm will be provided in class.
  - A final exam to be scheduled by the registrar. The final exam will be cumulative, i.e. it will cover all material discussed in class during the entire term.
- The overall mark for the course will be determined as follows:

<b>Evaluation Activity</b>	<b>Date</b>	<b>Weight</b>
First Midterm	TBA	25%
Second Midterm	TBA	25%
Final Exam	TBA	50%

- The format for both midterms and the final exam will be multiple-choice questions.
- A student who misses a midterm test will receive a mark of zero for the missed test and this mark of zero will be accounted for in the calculation of his/her final mark. If you miss the midterm(s) and can provide appropriate documentation (the UW verification of illness form is required), the weighting of the missed midterm(s) will automatically be shifted to the final exam.

## Course Outline and Suggested Readings

1. Introduction
  - 1.1. What is Economics (Ch. 1)
  - 1.2. The Economic Problem (Ch. 2)
2. The Competitive Market
  - 2.1. The Demand and Supply Model (Ch. 3)
  - 2.2. Elasticity (Ch. 4)
3. The Theories of Consumer Behaviour
  - 3.1. The Marginal Utility Theory (Ch. 8)
  - 3.2. The Indifference Curve Theory (Ch. 9)
4. The Theory of the Firm
  - 4.1. Firms and Production (Ch. 10)
  - 4.2. Costs of Production (Ch. 11)
5. Market Structure
  - 5.1. Perfect Competition (Ch. 12)
  - 5.2. Monopoly (Ch. 13)
  - 5.3. Monopolistic Competition (Ch. 14)
  - 5.4. Oligopoly (Ch. 15)
6. Market Failure
  - 6.1. Government Intervention (Ch. 6)
  - 6.2. Externalities (Ch. 16)
  - 6.3. Public Goods (Ch. 17).

### **Important note on class attendance:**

Regular attendance of lectures is strongly recommended, and active class participation (questions and comments from students) is encouraged. Lecture notes and corresponding readings should not be considered as perfect substitutes for class attendance. Students are responsible for all course materials covered in class, whether or not they are in the lecture notes or textbook. Please note that I do not lend my lecture notes or other course materials to students. If a student misses a class for whatever reason, it is his/her own responsibility to make sure that he/she gets from a classmate all the material and information discussed in class.

**Policy on electronic devices:** The use of electronic devices is prohibited during class time. Laptop computers may only be used for the purpose of class activities. Photographing people or course materials, and audio or video recordings by all means and devices are also prohibited.

### **Policy on missed exams:**

No make-up test will be provided for the midterms. Students who miss a midterm test and do not have a relevant medical certificate will receive a mark of zero, which will be accounted

for in the calculation of their final marks. Should you miss the midterm and can provide an appropriate justification to the instructor (the UW verification of illness form is required), the weighting of the midterm will be transferred to the final exam.

The final exam will be scheduled by the Registrar's Office during the examination period. It is the student's responsibility to make him/her available for the entire examination period, and travel plans are not a sufficient reason to have a final exam deferred. [See the following webpage for details: <http://www.registrar.uwaterloo.ca/exams/finalexams.html>.] You are very strongly encouraged to write your final exam at the scheduled time and place. A student who has compelling evidence that he/she is unable to write the final examination at the scheduled time **MUST** petition the economics department to write the deferred final examination.

### **Economics Department Deferred Final Exam Policy**

Deferred Final Exam Policy found at

<https://uwaterloo.ca/economics/current-undergraduates/policies-and-resources/deferred-final-exam-policy>.

It is the responsibility of students to ensure that they write exams in the location, date, and time assigned to their section. Students writing exams in the wrong section will be assessed a 20% penalty on the final exam grade. There will be no accommodation for possible differences in exam material or content.

### **Policy on remarking of tests:**

If you feel that your test was not marked properly, you must advise the instructor **within 6 calendar days** of the date on which the test is handed back to the class. Any student that submits a test for remarking should understand that the entire test would be remarked and that their grade may improve, remain unchanged or perhaps even decrease as a result of the remarking process.

### **Pickup of marked midterm papers**

Midterm papers will be returned in class after marking. Papers that are not picked up in class on the day they are returned will be available for pickup at my office during my office hours. Marked papers will be returned only to the students who wrote them (a valid student ID is required for your identification).

### **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.

### **Academic Integrity**

**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>)

**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>), 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>).

**Other sources of information for students:**

Academic Integrity website (Arts)

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

Academic Integrity Office (UWaterloo)

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

## **Accommodation for Students with Disabilities**

**Note for students with disabilities:**

The AccessAbility 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.