

**University of Waterloo**  
**Department of Economics**  
**Econ 301 – Section 2**  
**Microeconomic Theory II**  
**Spring 2016**  
**Monday and Wednesday, 8:30-10 AL 105**

**Instructor Information**

Instructor: Ryan George

Office: HH 218

Office Phone: 519-888-4567 ext. 33169 (please do not leave voice mails)

Office Hours: Monday and Wednesday 1-2:30pm or by appointment

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The instructor will only respond to emails that include “Econ 301” in the subject line of the message.

**T.A. Information**

TBA

**Course Description**

The course begins by deepening the discussion of consumer theory presented in Econ 201 using the mathematical tools acquired in Econ 211. Models of labour supply and savings behaviour are presented as part of the study of markets for inputs of production. A brief review of producer theory and partial equilibrium is offered. The central topic of the course is the allocative efficiency of competitive markets, which is studied using both partial and general equilibrium models. At the end of the course we examine how the presence of externalities can create the need for new markets to ensure efficiency.

**Course Goals and Learning Outcomes**

Upon completion of this course, students should be able to:

- A. Study portions of the applied microeconomic literature and follow courses that presume an intermediate preparation in microeconomic theory.
- B. Employ the tools of differential calculus (esp. constrained and unconstrained optimization) in developing microeconomic models.

**Required Text**

- Nechyba, Thomas J., 2011, *Microeconomics: An Intuitive Approach with Calculus* (South-Western Cengage Learning).

A copy of the text is on reserve at the Dana Porter Library.

## Readings Available on LEARN

- Lecture notes - covering main results and statement of problems/examples
- Announcements, assignments and their solutions, midterm solutions.
- Recommended textbook problems with solutions.

## Course Requirements and Assessment

Assessment	Date of Evaluation (if known)	Weighting (max of schemes #1 and #2)	
		Scheme #1	Scheme #2
Assignments (4 @ 5% each)	TBA	20%	20%
Midterm Examination	<b>Wednesday, June 8<sup>th</sup></b>	35%	20%
Final Examination	Exam Period (scheduled by Registrar's Office)	45%	60%
Total		100%	100%

### Assignments

There will be four (4) assignments over the course of the term. Each will count for 5% of the final grade. The assignments will be posted on LEARN, and due in class. Two assignments will be due prior to the midterm and two will be due after the midterm. Due dates to be announced. Unless an arrangement has been made with the instructor, no late assignments will be accepted.

### Midterm Examination

The midterm exam will be **held in class on Wednesday, June 8<sup>th</sup>**. It will test students' proficiency with the material covered in the lectures, assignments and practice problems.

### Final Examination

The final exam is comprehensive. The date will be set by the Registrar's Office.

### Course Outline (Tentative)

Week	Date	Topic	Readings Due
1	May 2	Introduction to Course; 1. Choice Sets	Ch.2 and Ch.3
	May 4	2. Tastes and Utility Functions	Ch.4
2	May 9	2. Tastes and Utility Functions (contd.)	Ch.5
	May 11	3. Solving Constrained Optimization Problems	Ch.6
3	May 16	4. Demand Functions for Goods, Substitution and Income Effects	Ch. 7 and 9
	May 18	5. Labour supply and Savings functions, Substitution and Wealth Effects	Ch.8 and Ch. 9
4	May 23	<b>HOLIDAY – NO CLASS</b>	Ch.10
	May 25	6. Value Functions and Duality in the Consumer Problem	
5	May 30	7. Consumer Surplus and the DWL of Taxation	Ch.10
	June 1	8. Taxes on Income	Ch.8 and 19
6	June 6	Catchup and Review	
	June 8	<b>Midterm during lecture</b>	
7	June 13 and 15	9. Firm Supply and Labour Demand	Ch.11
8	June 20	10. Cost Curves and Market Equilibrium	Ch.11 and Ch.14
	June 22	11. Allocative Efficiency in Partial Equilibrium Model	Ch.15
9	June 27 and 29	12. General Equilibrium (GE): Pure Exchange Economy	Ch.16
10	July 4 and 6	13. GE: Pure Exchange Economy and Welfare Theorems	Ch.16
11	July 11	14. GE: Production Economy	Ch.16
	July 13		
12	July 18	15. Consumption Externalities	Ch.21
	July 20	16. Production Externalities	
13	July 25	Course Review and Exam Details	

### **Missed Work and Accommodation Regarding Assessment**

If a student is unable to take the midterm exam for documented reasons, a make-up exam will be offered at an arranged time. ***Please note that students who decide to take an exam cannot be given accommodation after the fact due to illness or personal complicating factors that may have affected their performance.*** If you are not well on the day of an exam it is advisable that you not take the exam and obtain valid documentation of the circumstances of this decision.

### **Electronic Device Policy**

To avoid disruptions to the learning environment handheld devices must be turned off during the lecture and laptops must be used strictly for lecture-related purposes. If a student's use of a laptop becomes a distraction for adjacent students that student will be asked to discontinue its use.

### **Attendance Policy**

Lectures are an important component of the learning process and should be attended regularly.

### **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>.

### **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:*** 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) (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/

**Accommodation for Students with Disabilities**

**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 (NH 1401), 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.