

UNIVERSITY OF WATERLOO

Department of Economics

Economics 201 (001) – Microeconomic Theory 1

Spring 2012

Lecture: Tuesday and Thursday 2:30-3:50pm, PAS 2083

Instructor: Ryan George
Phone: 519-888-4567 ext. 33169

Office: Hagey Hall, room 218
Office Hours: Tuesday and Thursday
4 – 5:30, or by appointment

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Course Description:

This course covers foundational theoretical material in microeconomics. We will begin with models of consumer and producer behaviour based on principles of “rational choice” and construct a theory of competitive markets. We will then examine models where firms have market influence including monopoly and oligopoly.

Course Objectives:

Through lectures, reading and practice in solving problems the course aims to:

1. Encourage an appreciation for the process of model-building in microeconomics.
2. Develop a capacity to reason about economic questions.
3. Gain familiarity with graphical, algebraic and verbal means of analyzing models.

Evaluation: Evaluation is based upon assignments, a midterm and a final exam.

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| Assignments (5 @ 5% each) | = 25% |
| Midterm Examination (May 29 th) | = 30% |
| Final Examination (Exam Period) | = 45% |

Assignments: There will be five (5) assignments over the course of the term. Each will be worth 5% of the final grade. The assignments will be posted on UW-ACE, and due in class. Two assignments will be due prior to the midterm and three will be due after the midterm. Due dates to be announced.

Midterm Exam: There will be one **midterm exam in class** on May 29th. It will test students’ acquisition and dexterity with the material in the lectures, assignments and practice problems.

Final Exam: The comprehensive final exam will be scheduled during the formal exam period.

Practice problems: Sets of practice questions will be posted along with solutions on UW-ACE course-page. These problems offer students a chance to assimilate the material and practice solving exam-type problems, and **are not a component of students' evaluation.** Students may gain additional facility with the material by doing problems from the textbook and optional 'workouts' exercise books.

Missed work with valid reasons: If a student is unable to take a midterm exam for documented reasons her/his mark will be calculated by transferring the weight of the missed exam to the final exam. ***Please not 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.

Required Textbook: Varian, H. R., 2006, *Intermediate Microeconomics: A Modern Approach*, 8th Ed. (Earlier editions are acceptable).

Communicating with the instructor. The instructor will rely upon UW-ACE to make announcements, and post problem sets and their solutions. Please use email for administrative concerns. I will be available during office hours to discuss course material, or by appointment in cases where students cannot attend them.

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. 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, <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 - 3

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 Needles Hall, Room 1132, 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.

Course Topics:

| | Lecture Topics | Textbook Material Covered |
|---|---|---|
| Part One (up to midterm) | Introduction to Course | Ch. 1 The Market, Ch. 30 Behavioral Economics |
| | Consumer Theory, Market Demand and Equilibrium | Ch. 2 Budget Constraint Ch. 3 Preferences Ch. 4 Utility Ch. 5 Choice Ch. 6 Demand Ch. 15 Market Demand Ch. 16 Equilibrium |
| Note: No Class May 22nd | | |
| MIDTERM MAY 29TH IN CLASS | | |
| Part Two | Producer Theory, Competitive Markets and Market Power | Ch. 18 Technology Ch. 19 Profit Maximization Ch. 20 Cost Minimization Ch. 21 Cost Curves Ch.22 Firm Supply Ch. 23 Industry Supply Ch. 24 Monopoly Ch. 27 Oligopoly |