

University of Waterloo

Course Outline

Term & Year:

Winter 2012

Course Number & Title:

ECON 301-002 (section 2): Microeconomic Theory 2

Lecture Times, Building & Room Number:

MW 8:30–9:50, AL 211

Instructor's Name, Office Location, Office Hours, Contact:

Prof. T. Nguyen, HH 202, MW 10:00–11:50, 519-888-4567 ext 32794, eco301.uw@gmail.com
(bookmark and use this address; emails to my other addresses might be filtered and junked)

TA's Name, Office, Office Hours, Contact:

(see LEARN)

LEARN web site

Registered students with completed fee arrangements can access <http://learn.uwaterloo.ca> using WatIAM/Quest username and password.

1. Course Description

This course is the second half of the microeconomic core theory sequence ECON 201, ECON 301 that all economics majors (general and honours) should know. The course will cover various basic concepts, tools, and techniques of modern microeconomic analysis such as general equilibrium theory, resource allocations, welfare economics, factor markets, and policy implications. Materials covered in the two prerequisite courses ECON 201 (Microeconomic Theory 1) and ECON 211 (Introduction to Mathematical Economics) will be used as needed.

2. Course Objectives

After taking this course, students should be able to

- explain the economic principles underlying the inner workings of the economy as a whole,
- understand and apply modern tools and techniques of micro theory,
- formulate and solve analytical problems in micro theory,
- have a bird-eye general equilibrium view of the entire economy,
- appreciate the linkage of the micro core sequence ECON 101, 201, 301.

3. Required Text

Nguyen, T. Microeconomic Theory Level 2 (3rd edition) available from the UW Book Store.

4. Topics & Schedule

The following table shows the topics to be covered. All the 17 chapters in the text will be covered. In addition, extensions and updates beyond the book will be covered (so regular class attendance is important and required). The topics might be changed to suit class progress and student background.

Classes			Topics	Chapters
1	Wed	Jan 4	course organization, introduction, overview	
2	Mon	Jan 9	slopes, marginals, economic functions	1, 2, 3, 4, 5
3	Wed	Jan 11	optimization and duality	6

4	Mon	Jan 16	optimization and duality	6
5	Wed	Jan 18	general equilibrium: exchange economy	7, 8
6	Mon	Jan 23	general equilibrium: exchange economy	8
7	Wed	Jan 25	general equilibrium: production economy	9
8	Mon	Jan 30	general equilibrium: production economy	9
9	Wed	Feb 1	pareto optimality: exchange economy	10
10	Mon	Feb 6	pareto optimality: production economy	11
11	Wed	Feb 8	pareto optimality: production economy	11
12	Mon	Feb 13	fundamental theorems of welfare economics	12
13	Wed	Feb 15	mid term (8:30-9:50, room tba)	
14	Mon	Feb 20	no class (reading week)	
15	Wed	Feb 22	no class (reading week)	
16	Mon	Feb 27	welfare measures: cv and ev	13
17	Wed	Feb 29	welfare measures: cv and ev	13
18	Mon	Mar 5	welfare measures: boadway paradox	13
19	Wed	Mar 7	public goods: samuelson theory	14
20	Mon	Mar 12	public goods: lindahl pricing	14
21	Wed	Mar 14	public goods: incentive mechanism	14
22	Mon	Mar 19	externalities	15
23	Wed	Mar 21	second-best	16
24	Mon	Mar 26	factor market: competitive pricing	17
25	Wed	Mar 28	factor market: non-competitive pricing	17
26	Mon	Apr 2	review for final exam, course evaluation	
		Apr 3-6	study days	
		Apr 9-21	final exams	

5. Evaluation

The following table shows the mark breakdown:

class attendance		2%
routine exercises		5%
in-class quiz #1	wed feb 1	5%
in-class quiz #2	wed mar 21	5%
midterm	wed feb 15	25%
final exam	april 9-21	60%

The course mark is determined as the smaller of the total mark and 100 (i.e., capped at 100). That is, if your total mark is 75, the course mark will be $\min\{75, 100\} = 75$. On the other hand, if your total mark is 102, the course mark will be $\min\{102, 100\} = 100$.

1. Regular class attendance is required. Students are expected to (a) attend all class meetings, (b) remain in class for the entire period, and (c) participate in class discussions including answering questions. Casual presence (e.g., reading newspaper or email, study other courses in class, arrive at the end of the class period, or sign attendance records and leave) does not count and is treated as absence. Students who miss classes for whatever reasons are responsible to catching up with course materials on their own. Class handouts are distributed to students attending classes only. Students should always sign the same way on the attendance records. Signing for someone else

(or having someone to sign for you in your absence) is as serious as cheating since it gives a false pretense that a student is attending class.

2. Routine exercises are small problems (sometimes straightforward drill exercises) to reinforce the course materials. Students should attempt these exercises as soon as possible while their memory of the lectures is still fresh. Exercises given on Monday should be attempted before Wednesday so they be discussed in class. Exercises given on Wednesday should be done by the following Monday. Be prepared for random collections of the exercises for checking or marking. These routine exercises should keep students on top of the course materials.
3. The general format of exams (i.e., quizzes, midterms, and finals) is: closed-book, multiple-choice questions with calculations; bring stand-alone calculators (no sharing), pencils and erasers. Long exams in small classes might also have paper-and-pencil problems with solution write-ups.
4. The exam dates will not be changed for whatever reasons. In particular, student travel plans are not acceptable grounds for granting an alternative final exam schedule.
5. The scope of the final exam is *comprehensive*, i.e., covering the entire term (not just after the midterm) and including all course materials (not just the text).

6. Policies & Procedures

This rather lengthy section covers various policies and procedures set up for a smooth administration of the course. Students should give a quick glance to get a general idea of what they are all about, and then come back to any specific item in case a situation arises. Think of it as a FAQ of WTD (frequently asked questions of what to do). If you send me an email asking a question and do not get a reply within a reasonable period of time, there is a good chance that an answer has already been given in this section. Check this section before re-sending your email.

(a) Missing a Final Exam Due to Illness

Missing the final exam automatically results in a zero mark for the exam and possibly a failing mark for the course. In case of illness, see <http://economics.uwaterloo.ca/DeferredExams.html>

- notify the instructor within 48 hours (preferably by email)
- get your doctor to complete the UW Verification of Illness form (the only acceptable proof) see http://www.healthservices.uwaterloo.ca/Health_Services/verification.html
- submit the petition http://economics.uwaterloo.ca/specialrequest_deferred_exam.pdf together with the UW Verification of Illness form to the instructor for department approval; the petition must be submitted as soon as possible (usually within five working days after the missed exam) .
- note that (a) you should be prepared to write the deferred exam in short notice as it is not a time extension to study, and (b) you will automatically get a zero mark if you are granted a deferred exam and miss it (you get only one chance).

(b) Missing a Quiz or Midterm Due to Illness

By default, the computer automatically assigns zero marks for all missing required course work. In case of illness, remedies, if approved, include manual override to shift the weight of the missing work to the final exam. Follow the instructions below carefully:

- notify the instructor within 48 hours (preferably by email)
- get your doctor to complete the UW Verification of Illness form (the only acceptable proof) see http://www.healthservices.uwaterloo.ca/Health_Services/verification.html
- submit the special request form <http://economics.uwaterloo.ca/SpecialRequest.pdf> together with the UW Verification of Illness form to the instructor for approval;

- the form must be submitted as soon as possible (usually within five working days after the missed course work) for consideration; late submission will not be considered.

(c) Missing a Quiz or Midterm Due to Non-Illness Circumstances

By default, the computer automatically assigns zero marks for all missing required course work. Occasionally, non-illness situations (e.g., job interviews, death in family) might be considered. These requests are not always granted and decisions will be made on a case-by-case basis at my discretion. If approved, remedies include manual override to shift the weight of the missing work to the final exam. Follow the instructions below carefully:

- notify the instructor well ahead or within 48 hours of the missed event (preferably by email)
- submit the special request form <http://economics.uwaterloo.ca/SpecialRequest.pdf> together with supporting documentation to the instructor for consideration; sufficient reasons and details must be provided to justify an approval of the request;
- the form must be submitted as soon as possible (usually within five working days after the missed event) for consideration; late submission will not be considered.

(d) Late Submission or Missing Exam Papers

In this section, exam papers means final exams, quizzes, midterms, and homework assignments.

- Late submissions are not accepted and missed submission will receive zero marks for whatever reason.
- Students are responsible to ensure that their exam papers are properly submitted on time and completely intact (no missing pages). Wait for the proctors to check if your exam papers are in proper order before leaving the examination room. That is, make sure that the proctors have your exam papers. If they do not have your exam papers, you will get zero marks.
- Papers must be submitted in class or exam room. Papers submitted in other ways (e.g., the instructor's office, mailbox, email) do not count and are not accepted.

(e) Unauthorized Collaboration in Exams

- Students must work alone and unaided during examination. Unauthorized collaboration with other students (or non-students like family members and friends) and unauthorized uses of books, notes, study aids, cheat sheets, electronic and communication devices are not permitted. Violations of these rules are considered serious breach of academic integrity.

(f) Return of Marked Papers

- Mark papers include exam papers, quizzes, midterms, and homework assignments
- Marked papers will be returned in class. Exams that are not picked up in class must be picked up in the office during the office hours within two weeks. Papers left unclaimed after two weeks will not be available for pickup.
- Marked papers are returned only to the students who wrote them (identification required).
- For multiple choice exams, marks and solutions will be posted on LEARN and hence the Scantron computer cards will not be returned.

(g) Uses of Electronic Devices in Exams

- Electronic and communication devices are not allowed in examination. These devices include computers, cell phones, mobile phones, blackberrys, iphones, ipads.
- If calculators are allowed, it means stand-alone non-programmable calculators (no sharing). Cell phones and similar devices may not be used as a calculator in examination.

(h) Uses of Electronic Devices in Classes

- Video and voice recordings in class are not allowed. Selective note-taking during classes helps reinforcing the learning process. (it also keeps students awake). Suggestions for relevant points to take notes will be given during lectures.

- Laptops (including notebooks, netbooks, ipads, iphones, blackberrys, and the likes) may be used during classes provided they are used for learning purposes directly related to the course (e.g., note taking, problem solving, numerical calculations, online search for materials related to topic being discussed in class). Examples of unacceptable uses of laptops during class include personal email, facebook, games, movie, surfing, and work on other courses. These activities create distractions to other students. Students will be asked to leave.

(i) Unacceptable classroom behavior

Examples of unacceptable classroom behavior that interferes with other students' learning effort includes chatting, private talk, games, movies. Students will be asked to leave.

(j) OPD Alternative Exam Accommodations

Students requiring services from OPD (Office for Persons with Disabilities) should identify themselves by talking privately to the instructor early in the term, say, within two weeks. The paperwork should be completed as soon as possible.

7. University Statements

Cross-listed Course

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,

<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 (University): <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.