

**University of Waterloo**  
**Department of Economics**  
**ECON 201-002**  
**Microeconomic Theory for Business and Policy**  
**Winter 2022**  
**TTh 8:30am – 9:50am, RCH 110**

**Instructor Information**

Instructor: Wokia Kumase

Office: HH 162

Office Phone: 519 888 4567 ext. 30174

Office Hours: Tue 2:00pm – 3:30pm by MS Teams

Email: wkumase@uwaterloo.ca

**NOTE:**

- When sending an email, “Econ 201” must appear in the subject line and the message must include your full name and student ID number.
- Please use emails for administrative matters only. I will be available during office hours, or by appointment, to discuss course material.

**Cancellation of In-person Activities - Remote Delivery:**

- Due to the high transmissibility of the Omicron variant, the first 3 weeks of classes will be delivered remotely via MS Teams.
- We hope to return to in-person lectures on January 24, if public health conditions allow.
- In the event that we have to continue with purely remote delivery of courses for the rest of the term, there will be no change in schedule.
- Lectures will be conducted online following the regular lecture schedule and videos of recorded lectures will be posted on Learn.
- Midterms and final exams will be conducted via a drop box on Learn if public health guidance do not allow for in-person exams.

**Prerequisites:**

Econ 101. Also required is elementary algebra and calculus.

**Course Description**

This course is an introduction to the analytical foundation upon which nearly all economic models and predictions are based: constrained optimization, equilibrium analysis, and comparative statics. Using these instruments, the course examines the conventional microeconomic theories which attempt to explain the nature of markets and the behaviour of individuals and firms. Understanding the different outcomes is essential for individuals and firms in their decision making process. Topics will include consumer choice, production analysis and firm behaviour in different market structures.

## Course Goals and Learning Outcomes

The goal of this course is to provide students with a thorough understanding and application of micro economic theories that apply to the functions of individual decision makers (consumers and firms) within the economic system. To achieve this goal,

1. We will explore how consumers make decisions and use consumer theory to derive the demand curve.
2. We will also discuss insights consumer theory provides on other aspects of consumer decision-making as well as government policy.
3. We will examine production and costs and see how a firm uses information to make decisions. Producer theory will be used to derive the supply curve in a competitive market.
4. We will evaluate the competitive market outcome, discuss circumstances when markets fail to achieve an optimal outcome and consider the possible role for government.

## Required Text

- Microeconomics, 8<sup>th</sup> edition. Jeffrey M. Perloff, University of California-Berkeley
- Older editions are acceptable, but it is the students' responsibility to cover any differences in the content.

## Notes from the BookStore

MyLab Economics for **Microeconomics 8/e** is a study tool that acts as a personal digital tutor and accompanies your resource.

### How to Register

1. Go to <https://registration.mypearson.com/>
2. Enter your **Course ID kumase14341**
3. Sign in if you have used a Pearson product before OR Create a new account
4. Select your access option
  - a) **Redeem the access code** you purchased from the bookstore
  - b) **Purchase the access code** with a credit card or PayPal account
  - c) **Get 14-day temporary access** if you want to try the product first
5. From now on, you can sign in from [www.pearson.com/mylab](http://www.pearson.com/mylab).

## Course Participation Policy:

- Lecture slides and a summary of the points highlighted on the slides will be posted on LEARN on a weekly basis.
- Though you may work on our class anytime you like during the week, you will need to complete the quizzes as scheduled. Also note that penalties will apply for missing quiz deadlines.

- It is advisable to spend at least 5 hours each week, reading, completing quizzes and assignments for this class. However, the choice of WHEN and HOW long you work each week is up to you.

### **Additional Resources Available on Learn**

- The lecture overhead slides, summary documents and videos are posted on LEARN (<http://learn.uwaterloo.ca>) and should be considered as a complement and not as a substitute to the textbook.
- The LEARN site is down occasionally. Save the course materials to your computer as soon as they are posted. Always be prepared! Examinations in this course are based on the material contained in the textbook and the presented lecture content (which are strong complements, not substitutes...see Policy on Class Attendance).

## **Course Outline**

<b>I. Introduction</b> Chapter 1: Introduction	<b>Week 1</b>
<b>II. Consumer Theory</b> Chapter 2: Supply and Demand Chapter 3: Applying the Supply-and Demand Model  Chapter 4: Consumer Choice Chapter 5: Applying Consumer Theory	<b>Weeks 2 - 3</b>   <b>Weeks 4 - 5</b>
<b>III. Production and Cost Theory</b> Chapter 6: Firms and Production Chapter 7: Costs	<b>Weeks 6 - 7</b>
<b>IV. Markets</b> Chapter 8: Competitive Firms and Markets Chapter 9: Applying the Competitive Model  Chapter 11: Monopoly Chapter 14: Oligopoly and Monopolistic Competition  *Chapter 10: General Equilibrium and Economic Welfare	<b>Weeks 8 – 9</b>   <b>Weeks 10 – 12</b>

## Course Requirements and Assessment

Examinations in this course are based on the material contained in the assigned textbook readings and presented as lecture contents (which are strong complements, not substitutes). The course grade will be based on 2 midterm exams, 4 quizzes and a final exam.

### Quizzes:

Quizzes can be accessed by clicking Submit and then Quizzes on the course navigation bar on LEARN. Once you start a quiz, you MUST complete it. You may only take a quiz once.

### Midterms:

Midterm reminders will be sent out by email. The midterms will cover specific chapters and will be highlighted in the email reminders and also posted on LEARN.

The breakdown is as follows:

Midterm 1	Thursday Feb 03, 8:30am-9:50am	20%
Midterm 2	Thursday Mar 10, 8:30am-9:50am	20%
Quiz 1	Monday Jan 24 - Sunday Jan 30	5%
Quiz 2	Monday Feb 07 - Sunday Feb 13	5%
Quiz 3	Monday Feb 28 - Sunday Mar 06	5%
Quiz 4	Monday Mar 21 - Sunday Mar 27	5%
Final exam (comprehensive)	(TBD)	40%

## Examination Policy

### *Missing a Midterm Due to Illness During the Term*

- Missing a midterm will automatically result in a grade of zero for that midterm. If the illness can be documented with a UW Verification of Illness Form (the only acceptable document), with approval you may transfer the weight of the missed midterm to the final exam. This remedy is a privilege and not a right.
- Students are advised to notify the instructor in person about the missed exam as soon as they can. **Email notification and scanned VIF about the missed exam is acceptable.**

### *Missing the Final Exam Due to Illness*

- Missing the final exam is a very serious matter which automatically results in a grade of zero for the final exam and possibly a failing grade for the course. **Please carefully read the Economics Department policy on deferred final exams for instructions.**
- No deferred final exam will be provided for students who missed all the exams (including the final exam) in this course.
- It is the responsibility of students to ensure that they write exams in the location, date, and time assigned to their sections. Students writing exams in the wrong section are considered not writing exams at all and will receive a zero mark.

### **Fee-Arranged Issues**

- Students are responsible for administrative matters concerning their course registration including fee arrangements with the Registrar's Office. No make-up work or other remedies will be given for loss of access to LEARN and academic consequences arising from administrative issues with the Registrar's Office.

### **Electronic Device Policy**

- Turn off all cell phone communication devices and put them away for the duration of the lecture.
- Photographic devices are not permitted in class; this is a University regulation.
- In order to maintain a learning environment in this classroom, I expect the highest level of courtesy and professional behaviour from every student.

### **Attendance Policy**

- Class attendance is an integral part of your educational experience. While attendance is not a graded component of this course, it is an important component in ensuring your complete understanding of the material presented. You are responsible for all material presented in the scheduled lecture periods whether you choose to attend lectures or not.

Solutions to classroom exercises will not be posted on LEARN but will gladly take them up during office hours.

### **Classroom Protocols**

- I do NOT lend my lecture notes to students for any reason.
- In order to maintain a learning environment in this classroom, I expect the highest level of courtesy and professional behaviour from every student. In particular, be punctual and turn off all audible ringers on all devices during class.
- As a courtesy to others, no eating in class please. If you have coffee, water, etc., please dispose of your garbage when you leave the classroom.
- No private conversations in class will be tolerated.

## **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 community are expected to promote honesty, trust, fairness, respect and responsibility. See the [UWaterloo Academic Integrity Webpage \(https://uwaterloo.ca/academic-integrity/\)](https://uwaterloo.ca/academic-integrity/) and the [Arts Academic Integrity Office Webpage \(http://arts.uwaterloo.ca/current-undergraduates/academic-responsibility\)](http://arts.uwaterloo.ca/current-undergraduates/academic-responsibility) for more information.

### **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 \(https://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-70\)](https://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-70). When in doubt please be certain to contact the department's administrative assistant who will provide further assistance.

### **Discipline**

A student is expected to know what constitutes academic integrity to avoid committing academic offenses and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offense, or who needs help in learning how to avoid offenses (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. For information on categories of offenses and types of penalties, students should refer to [Policy 71, Student Discipline \(http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm\)](http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm). For typical penalties check [Guidelines for the Assessment of Penalties \(http://www.adm.uwaterloo.ca/infosec/guidelines/penaltyguidelines.htm\)](http://www.adm.uwaterloo.ca/infosec/guidelines/penaltyguidelines.htm).

### **Appeals**

A decision made or penalty imposed under Policy 70, Student Petitions and Grievances (other than a petition) or Policy 71, Student Discipline may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to [Policy 72, Student Appeals \(http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm\)](http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm).

### **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.