

University of Waterloo
Department of Economics
ECON 101-Section 004-Introduction to Microeconomics
Fall 2016
2:30-3:20 MWF, STP 105

Instructor Information:

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Instruction regarding communication:

- When sending email, “Econ 101-Section 004” 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.

Where to find this course outline:

This course outline is available at two locations for the duration of the term:

- Department of Economics website: <http://economics.uwaterloo.ca/courses>
 - LEARN web site (requires UW userid and password): <http://learn.uwaterloo.ca>
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Course Description:

This course provides an introduction to microeconomic analysis relevant for understanding the Canadian economy. The behavior of individual consumers and producers, the determination of market prices for commodities and resources, and the role of government policy in the functioning of the market system are the main topics covered.

Course Objectives:

Microeconomics is the study of economic behavior of individual consumers and firms and the distribution of total production and income among them. It involves determination of price through the optimizing behavior of economic agents, with consumers maximizing utility and firms maximizing profit. The general concern of microeconomics is the efficient allocation of scarce resources among alternative uses.

Topics covered in this course include the theory of supply and demand, competitive and mixed market structures, consumer behavior and the role of government in the market economy.

The focus of this course is to introduce students to the basic principles/theories of microeconomics. We will also use the general conceptual framework used in microeconomics to approach environmental and resource problems. At the end, students should be able to understand how scarce factors of production are allocated to different firms, how the produced goods and services are distributed to consumers and whether a coordination of the production and consumption plan is required so that supply meets demand.

Required Textbook:

Parkin, Michael and Robin Bade (2016). "Microeconomics: Canada in the Global Environment", 9th edition. Pearson Education Canada. Available from UW BookStore.

My EconLab and study guide that accompany this textbook are optional.

Resources:

Course related materials including lecture notes are posted on LEARN under
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It is highly recommended that students attend the lectures and read the textbook. Lecture notes are provided as a supplement to the text book. The lecture notes and the content (including the room location) of the exams will be announced in class and on LEARN. The LEARN site is down occasionally. Save the course materials to your computer as soon as they are posted. Always be prepared! Students writing test and exams are responsible to save course materials on LEARN before the access to their courses is shut off (normally on the first day of classes of the next term). One copy of the required textbook will be placed on reserves in the Dana Porter library for three hours.

Notes from the UW Book Store:

The UW Book Store has the following editions of the same textbook package (buy only one):

Option 1: Microeconomics (Paperback) Textbook, MyEconLab & Flextext (\$154.95 + GST)

Option 2: Microeconomics (Loose leaf) Binder Ready Textbook, MyEconLab & Flextext (\$99.95 + GST).

Students who will be taking both ECON 101 and 102 (this term or in a subsequent term) may want to get the combined Economics: Canada in the Global Environment which has both Microeconomics (ECON 101) and Macroeconomics (ECON 102). In that case, the UW Book Store also has the following editions of the same text package (buy only one):

ECON 101 and 102

Option 3: Economics (Hardcover) Textbook with MyEconLab including Micro and Macro Flextext bundle (\$199.95 + GST),

Option 4: Microeconomics and Macroeconomics (Looseleaf) bundle with MyEconLab and including Micro and Macro Flextext (\$169.95 + GST).

In any case, buy only one of the four options above. The textbook is packaged with a free access code to MyEconLab (including e-textbook), and a flextext. If you would like to purchase MyEconLab separately (with or without the e-textbook), please contact the UW Book Store.

Assessments:

Student evaluation for this course consists of two in-class midterm exams and a final exam. The exams will include all multiple choices questions. The rooms assigned for the midterm exams will be announced later in class and on Learn. Final exam will be comprehensive; it will include all materials covered during the term. The final exam date will be announced by the Registrar's Office. The final exam period for Fall 2016 term is from December 8 to December 22. Students are expected to be available during this time. An alternative final exam time is not allowed on the ground of travel plans. See the following webpage for details: <http://www.registrar.uwaterloo.ca/exams/finalexams.html>

Exam Schedule and Mark Breakdown:

Exams	Time and Date	Chapters	Weight
Midterm Exam 1	Monday, October 17, 2016	Chapters 1, 2 & 3	20%
Midterm Exam 2	Monday, November 14, 2016	Chapters 4, 8, 9, 10 & 11	30%
Final (comprehensive)	To be announced (between December 8-22)	Comprehensive	50%

List of Topics:

Chapter 1: What is Economics?

- (1). Wants and scarcity
- (2). Microeconomics & macroeconomics
- (3). Positive and normative economics
- (4). Choices and tradeoffs
- (5). The Economic system and the environment
- (6). Appendix - graphs in economics

Chapter 2: The Economic Problem

- (1). Opportunity cost and production possibility curve
- (2). Absolute and comparative advantage
- (3). Gains from trade & economic growth
- (4). Free vs. fair trade
- (5). Sustainability

Chapter 3: Demand and Supply

- (1). Law of demand & demand curve, change in quantity demanded and change in demand, law of supply and supply curve, change in quantity supplied and change in supply
- (2). Equilibrium price and quantity
- (3). Shift of the demand curve and shift of the supply curve
- (4). Predicting changes in price and quantity

Chapter 4: Elasticity

- (1). Price elasticity of demand and price elasticity of supply
- (2). Relationship between price elasticity of demand and total revenue
- (3). Income elasticity of demand and cross elasticity of demand
- (4). The factors that influence the elasticity of demand and elasticity of supply

Chapter 6: Government in Action

- (1). Demand and marginal benefit
- (2). Supply and marginal cost
- (3). Efficiency of competitive market
- (4). Surpluses and shortages, price ceilings & price floor
- (5). Minimum wage and rent control
- (6). Taxes and subsidies

Chapter 8: Utility and Demand

- (1). Total utility and marginal utility
- (2). Marginal utility theory and predictions of marginal utility theory
- (3). Paradox of value
- (4). Overconsumption and social norms

Chapter 9: Possibilities, Preferences, and Choices

- (1). Preferences and indifference curve
- (2). Budget schedule and budget line
- (3). Deriving an individual's demand curve & predicting consumer choices
- (4). Work-leisure choices

Chapter 10: Organizing Production

- (1). Explicit and implicit cost
- (2). Accounting profit vs. economic profit
- (3). Technological and economic efficiency
- (4). Markets and the competitive environment
- (5). Sustainable business or green business and Triple bottom line

Chapter 11: Output and Costs

- (1). Laws of production - short run and long run
- (2). Product curves (total product curve, marginal product curve and average product curve)
- (3). Short run cost curves
- (4). Long run cost curves

Chapter 12: Perfect Competition

- (1). Characteristics of perfect competition
- (2). Profit maximizing condition for short run and long run
- (3). Break-even point and shut down point
- (4). Entry and exit

Chapter 13: Monopoly

- (1). Characteristics of monopoly market and monopoly's output and price decision
- (2). Natural monopoly
- (3). Price discrimination
- (4). Comparing price and output between monopoly and perfect competition

Chapter 14: Monopolistic Competition

- (1). Characteristics of monopolistic competition
- (2). Price and output in monopolistic competition

Chapter 15: Oligopoly

- (1). What is oligopoly?
- (2). The kinked demand curve
- (3). Dominant firm oligopoly & Oligopoly games

Week	Date	Lecture topics and related readings
Week 1	September 9	Introduction to the course, course outline
Week 2	September 12 September 14 September 16	What is Economics? (Ch.1) & The Economic Problem (Ch.2)
Week 3	September 19 September 21 September 23	The Economic Problem (Ch.2) & Demand and Supply (Ch.3)
Week 4	September 26 September 28 September 30	Demand and Supply (Ch.3)
Week 5	October 3 October 5 October 7	Demand and Supply (Ch.3) & Elasticity (Ch.4)
Week 6	October 10 (No class- University holiday) October 12 (No class - Study days) October 14	Elasticity (Ch.4), Utility and Demand (Ch.8) & Review
Week 7	October 17 October 19 October 21	Midterm 1 (Chapters 1, 2 & 3) Utility and Demand (Ch.8)
Week 8	October 24 October 26 October 28	Possibilities, Preferences and Choices (Ch. 9) & Organizing Production (Ch.10)
Week 9	October 31 November 2 November 4	Organizing Production (Ch.10) & Output and Costs (Ch.11)

Week 10	November 7 November 9 November 11	Output and Costs (Ch.11), Perfect Competition (Ch.12) & Review
Week 11	November 14 November 16 November 18	Midterm 2 (Chapters 4, 8, 9, 10 & 11) Perfect Competition (Ch.12) & Government Actions in Market (Ch.6)
Week 12	November 21 November 23 November 25	Monopoly (Ch.13) & Monopolistic Competition (Ch.14)
Week 13	November 28 November 30 December 2	Monopolistic Competition (Ch.14) & Oligopoly (Ch.15)
Week 14	December 5 (make up class for October 10)	Oligopoly (Ch.15) & Review for Final Exam

*****This class schedule is tentative. There may be addition or slight modification in this schedule given the pace of the class***.**

Policy for Missed Exams:

No make-up midterm exam will be provided for this course. Students who do not have a relevant medical certificate will receive a mark of zero on any missed exam and their final grade will be assigned in accordance with the formula specified above. For students who have valid medical certificate (approved by the instructor), the weight of the missed exam will be transferred to final exam. This remedy is a privilege and not a right. The midterm exam schedule has been set and will not be changed for whatever reason.

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 student who missed all the exams (including the final exam) in this course. Students are advised to notify the instructor in person about the missed exam as soon as they are better. E-mail notification about the missed exam is not accepted.

For detailed instruction regarding missed final exam, visit the following webpage:

<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.

Submission of Exam Papers

Late submission of exam papers is not accepted and missed submissions will receive a zero mark for whatever reason.

Exam papers must be submitted in whole and on time in the exam room. Exam papers

- (a). not submitted on time,
- (b). submitted with missing pages,
- (c). submitted elsewhere, with the exception of students with permission to write in the AS Office,
- (d). not received at all will receive a grade of zero for whatever reason.

Grades:

Exam marks will be posted on Learn. Posting grades in public places or sending grades by e-mail are prohibited by university regulations.

Fee-Arranged Issues:

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

Economic Clinic:

The department offers free tutorial services to students taking ECON 101 in a walk-in Economic Clinic. Details are available from LEARN, classes, and the department.

Attendance Policy:

Class attendance is an integral part of the course. Although attendance is not marked, it is critical for understanding the course material. Students are responsible for all material covered in the course whether they choose to attend classes or not.

Classroom Protocols:

- No private conversations in class will be tolerated.
- Turn off all cell phone communication devices and put them away for the duration of the lecture.
- In order to maintain a learning environment in this classroom, I expect the highest level of courtesy and professional behavior from every student.

Electronic Device Policy:

- **THIS IS A HANDHELD-DEVICE-FREE ZONE.**
- Turn off all handheld devices and put them away for the duration of the lecture.
- Laptop computers may only be used to view lecture material.
- Photographic devices are not permitted in class due to copyright and privacy issues.
Audio or video recording devices are not permitted in class due to copyright and privacy issues.

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.

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 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) (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>

Academic Integrity Office (UWaterloo): <https://uwaterloo.ca/academic-integrity/>

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, 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.