

**University of Waterloo**  
**Department of Economics**  
**Econ 101-006**  
**Introduction to Microeconomics**  
**Fall 2016**  
**Tue & Thur 2:30-4:00pm, DC 1350**

**Instructor Information**

Instructor: Wokia Kumase  
Office: HH 162  
Office Phone: 519 888 4567 ext. 30174  
Office Hours: T,TH 11:00 – 1:00pm or by appointment  
Email: wkumase@uwaterloo.ca

**Course Description**

This course is an introduction to microeconomic analysis relevant for understanding the Canadian economy. The behaviour 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 Goals and Learning Outcomes**

The goal will be to provide students with a thorough understanding of the fundamental principles of economics that apply to the functions of individual decision makers (consumers and firms) within the economic system. To achieve this goal, emphasis will be placed on resolving the economic problem of allocation, distribution and coordination as well as the role of government in promoting greater efficiency and equity in the economy. 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.

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

- A. Define economics
  - Distinguish between micro and macro economics
  - Explain how economist operate as social scientist and policy advisers
  - Define the production possibility frontier and opportunity cost
  - Explain how specialization and trade expand production possibilities
  
- B. Explain demand and supply
  - Explain how demand and supply determine prices and quantities bought and sold
  - Use the demand and supply model to make predictions about changes in prices and quantities

Define and calculate elasticity, as well as explain the factors that influence the elasticity of demand and supply
  
- C. Distinguish between efficiency and equity
  - Explain consumer and producer surplus
  - Explain the conditions under which markets are efficient and inefficient
  - Explain fairness and evaluate claims that markets result in unfair outcomes
  
- D. Assess the impact of government actions in markets
  - Explain the effects of rent ceilings and minimum wages
  - Measure the impact of taxes, quota and subsidies
  
- E. Explain marginal utility theory of consumer choice
  - Explain the limits to consumption and describe preferences using the concept of utility
  - Describe a budget line and indifference curves
  
- F. How production is organized
  - Distinguish between technological efficiency and economic efficiency
  - Define and explain the principal–agent problem
  - Explain a firms output and cost in the short and long run using cost curves
  
- G. Explain different market structures and corresponding equilibrium outcomes
  - Define perfect competition and explain how a firm makes its output decision
  - Explain how a single-price monopoly determines its output and price
  - Explain how price discrimination increases profit
  - Explain how a firm in monopolistic competition determines its price and output in the short run and the long run
  - Use game theory to explain how price and output are determined in oligopoly

## Required Text

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

Optional:

Accompanying Study Guide and MyEconLab

Notes from the UW BookStore:

Option 1: Microeconomics (Paperback) Textbook bundle with, 8th ed Study Guide and MyEconLab (\$109.95 + GST) (Note: The paperback bundle at the Bookstore is a special price negotiated with the publisher. It is the same price as the loose-leaf package with myeconlab)

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:

ECON 101 and 102

Option 2: Economics 9th ed (Hardcover) Textbook bundle with 8ed Study Guide and MyEconLab (\$164.95 + GST),

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

## Readings Available on LEARN

- Lecture overhead slides and/or additional course materials will be posted on the LEARN web site <http://learn.uwaterloo.ca> (1169 ECON 101 Fall 2016)
- 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).

## Course Requirements and Assessment

The midterms will be written in the class period on the dates specified below and each midterm will be worth 20% of your final grade. The final exam, which will be scheduled by the registrar during the examination period in December, will constitute 50% of your final grade and will be comprehensive (i.e., cover all course material from beginning to end). Six review quizzes will constitute the remaining 10% of your final grade.

All Exams for this course will be multiple-choice questions, and perhaps short-answer questions. 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).

Assessment	Date of Evaluation	Weighting
<b>Midterm I</b>	Tuesday Oct 04, 2:30 -4:00pm	20%
<b>Midterm II</b>	Tuesday Nov 08, 2:30-4:00pm	20%
<b>Final Exam</b>	TBA	50%
<b>Weekly Review Quizzes</b>	TBA	10%
<b>Total</b>		<b>100%</b>

## Review Quizzes

The purpose of the review quizzes is to help students identify and understand key concepts covered in the lectures and in the textbook.

The format of the quizzes will mainly be multiple-choice questions, but there may also be some true-false questions, or short answer questions.

The quizzes will be done online through the LEARN system.

There will be a limited, but a reasonably long, time window set up in LEARN during which each quiz will be available for completion. There are three attempts for each quiz available and the best attempt counts.

Quizzes that are not submitted on time will automatically receive a grade of zero.

## Course Outline

This is a tentative class schedule. Modifications and/or eliminations of certain content might be required given our limited time together. Any necessary modifications or eliminations to the course content will be communicated to you in the regular class period.

Week	Date	Topic	Readings Due
1	Sept 8 and 13	Introduction to Economics?	Chp. 1: What is Economics? Chp. 2: The Economic Problem.
2	Sept 15 and 20	Markets	Chp. 3: Demand and Supply
3	Sept 22 and 29	Markets	Chp. 4: Elasticity
4	Oct 4 and 6	<b>Midterm I (Oct 4th) Markets and Government action</b>	Chp. 5: Efficiency and Equity
5	Oct 13 and 18	Markets and Government action	Chp. 6: Gov't Actions in Markets
6	Oct 20 and 25	Consumer Theory	Chp. 8: Utility and demand
7	Oct 27 and Nov 1	Consumer Theory	Chp. 9: Possibilities, Preferences and Choices
8	Nov 3	Producer Theory	Chp. 10: Organizing Production
9	Nov 8 and 10	<b>Producer Theory Midterm II (Nov 8th)</b>	Chp. 11: Output and Costs
10 -12	Nov 15 and 17 Nov 22 and 24 Nov 29 and Dec 1	Market Structures and Equilibrium Outcome	Chp. 12: Perfect competition Chp. 13: Monopoly Chp. 14: Monopolistic Competition Chp. 15: Oligopoly

## Late Work

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. **(Please pay close attention to the deadlines for submitting your online quizzes.**

- 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.

## **Electronic Device Policy**

### THE CLASSROOM 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.

## **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.

## **Classroom Protocols**

- I do NOT lend my lecture notes to students for any reason.
- In order to maintain a productive learning environment in the classroom, we all need to show the highest level of courtesy and professional behaviour. In particular, please be punctual and turn off all audible ringers on all devices during class.
- As a courtesy to the custodial staff, if you have coffee, water, etc., please dispose of your garbage when you leave the classroom.
- Please leave your private conversations for after the class.

## **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](#) and the [Arts Academic Integrity webpage](#) for more information.

### **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](#). For

typical penalties check [Guidelines for the Assessment of Penalties \(https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/guidelines/guidelines-assessment-penalties\)](https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/guidelines/guidelines-assessment-penalties).

## **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), Section 4 (<https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-70>). When in doubt, please be certain to contact the department's administrative assistant who will provide further assistance.

## **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 \(https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-72\)](https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-72).

## **Note for Students with Disabilities**

The [AccessAbility Services](#) office, 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.

## **If Using Turnitin in your Course**

**Turnitin.com:** Text matching software (Turnitin®) will be used to screen assignments in this course. This is being done to verify that use of all material and sources in assignments is documented. Students will be given an option if they do not want to have their assignment screened by Turnitin®. In the first week of the term, details will be provided about arrangements and alternatives for the use of Turnitin® in this course.

*Note: students must be given a reasonable option if they do not want to have their assignment screened by Turnitin®. See [guidelines for instructors](#) for more information.*

## **Faculty of Arts-required statements for undergraduate course outlines**

### **Cross-listed Course (if applicable)**

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.