

University of Waterloo
Department of Economics – Fall 2016
Econ 101: Introduction to Microeconomics (Section 007)
Monday, Wednesday & Friday – 09:30-10:20 a.m. – STP 105

Instructor and T.A. Information

Instructor: Zara Liaqat
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Note:

- (a) When sending an email, “Econ 101” must appear in the subject line and the message must include your full name and student ID number.
- (b) Please use emails for administrative matters only. I will be available during office hours, or by appointment, to discuss course material.

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 Goals and Learning Outcomes

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. 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 of the course, students should be able to understand:

- the theory of supply and demand
- how scarce factors of production are allocated to different firms
- consumer behaviour
- competitive and mixed market structures
- how the produced goods and services are distributed to consumers
- the role of government in the market economy

Course Webpage

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

- (a) Department of Economics website <http://economics.uwaterloo.ca/courses>
- (b) LEARN website <http://learn.uwaterloo.ca/> (use WatIAM/Quest username and password)

Required Text

Parkin, Michael and Robin Bade (2015). *Microeconomics: Canada in the Global Environment*, 9th

edition. Pearson Education Canada. Available from UW BookStore.

MyEconLab and study guide that accompany this textbook are optional.

Other References: Occasional supplementary readings from the popular press will also be posted.

Notes from the UW Book Store:

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

Option 1 – Economics - full book (9th) & MyEconLab & Study Guide (8th) - ISBN 0134380975. Price: \$165

Option 2 – Micro Edition (9th) & MyEconLab & Study Guide (8th) ISBN 0134397487. Price : \$109

Readings Available on LEARN

- Lecture overhead slides and/or additional course material will be posted on the LEARN web site <http://learn.uwaterloo.ca>.
- 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 course grade will be based on three midterm exams and a final exam which will be held during the Official Examination Schedule. The exams will include all multiple choices questions. The breakdown is as follows:

Assessment	Date of Evaluation (if known)	Weighting
Midterm Exam 1	Friday, September 30, 2016	20%
Midterm Exam 2	Friday, October 21, 2016	20%
Midterm Exam 3	Friday, November 18, 2016	20%
Final Exam (Comprehensive)	TBA	40%
Total		100%

- Participation is recommended and it will be rewarded through **bonus marks of up to three percentage points (3%)** that will be added to the students' final grade. Participation will be monitored through the online tool Top Hat (see section below). The primary purpose of this tool in this class is to enhance the feedback mechanism between students and the instructor so that we can identify areas that may require special focus. You will be able to submit answers to in-class questions using Apple or Android smartphones and tablets, laptops, or through text message.
- The date and time for the final exam will be set by the Registrar during the exam period and announced in class and on LEARN.
- Examinations in this course are based on the material contained in the assigned textbook readings and presented as lecture contents.
- You will be expected to use simple algebra, interpret and manipulate graphs, and think abstractly about issues and policies.
- Attend all the lectures and actively participate in class. Studying just from the lectures slides is not a substitute of attending lectures. Attendance 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.
- Read the textbook and other assigned readings and go through your lecture notes. Some of the materials covered during lectures may NOT be available in lecture slides.

- Work out all optional assignments and practice questions in the textbook and on the textbook's website. These are meant for helping you prepare for the exams.

Course Outline – List of Topics and Chapters

Chapter 1: What is Economics?

Wants and scarcity, Microeconomics & macroeconomics, Positive and normative economics, Choices and tradeoffs, The Economic system and the environment, and Appendix - graphs in economics

Chapter 2: The Economic Problem

Opportunity Cost and Production Possibility curve, Economic growth and Economic Coordination

Chapter 3: Demand and Supply

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, Equilibrium price and quantity, Shift of the demand curve and shift of the supply curve, and Predicting changes in price and quantity

Chapter 4: Elasticity

Price elasticity of demand and price elasticity of supply, Relationship between price elasticity of demand and total revenue, Income elasticity of demand and cross elasticity of demand, and The factors that influence the elasticity of demand and elasticity of supply

Chapter 6: Government in Action

Demand and marginal benefit, Supply and marginal cost, Efficiency of competitive market, Surpluses and shortages, price ceilings & price floor, Minimum wage and rent control, and Taxes and Subsidies

Chapter 8: Utility and Demand

Total utility and marginal utility, Marginal utility theory and predictions of marginal utility theory, Paradox of value and overconsumption

Chapter 9: Possibilities, Preferences, and Choices

Preferences and indifference curve, Budget schedule and budget line, Deriving an individual's demand curve & predicting consumer choices, and Work-leisure choices

Chapter 10: Organizing Production

Explicit and implicit cost, Accounting profit vs. Economic profit, Technological and economic efficiency, and Markets and the competitive environment

Chapter 11: Output and Costs

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

Chapter 12: Perfect Competition

Characteristics of perfect competition, Profit maximizing condition for short run and long run, Break-even point and shut down point, and Entry and Exit

Chapter 13: Monopoly

Characteristics of monopoly market and monopoly's output and price decision, Natural monopoly, Price discrimination, and Comparing price and output between monopoly and perfect competition

Chapter 14: Monopolistic Competition

Characteristics of monopolistic competition, and Price and output in monopolistic competition

Chapter 15: Oligopoly

What is oligopoly? The Kinked demand curve, and Dominant firm oligopoly & Oligopoly games

Chapter 16: Externalities [if time permits]

Negative externalities, Positive externalities, and Over/Under Production

Tentative Class Schedule

The following schedule is meant as a rough guideline. Short-term goals will be announced regularly.

Week	Topic	Readings Due
1	Course presentation What is Economics? & The Economic Problem	Chapters 1 & 2 Article: "Why Trade"
2	The Economic Problem & Demand and Supply	Chapter 3 Article: "With costly bananas, apples and grapes"
3	Demand and Supply & Elasticity	Chapters 3 & 4 Article: "Price Elasticity of Demand"
3	Midterm Exam 1	September 30, 2016, Friday
4	Elasticity & Review	Chapter 4 Article: "Is inequality worsening"
5	Utility and Demand	Chapter 8 Article: "Homework's Diminishing Returns"
6	Possibilities, Preferences and Choices	Chapter 9 Article: "The Irrational Consumer"
6	Midterm Exam 2	October 21, 2016, Friday
7	Organizing Production & Output and Costs	Chapters 10 & 11 Article: "Car Owners Criticize Pace of GM"
8	Output and Costs & Review	Chapter 11 Article: "Car Owners Criticize Pace of GM"
9	Perfect Competition & Government Actions in Market	Chapters 12 & 6 Go to PriceWatch.com Perfectly competitive computer hardware market?
10	Monopoly & Monopolistic Competition	Chapters 13 & 14 Article: "The Forbes"
10	Midterm Exam 3	November 18, 2016, Friday
11	Monopolistic Competition & Oligopoly	Chapters 14 & 15 Article: "A better mix"
12	Externalities & Review	Chapter 16 Articles: "Hate the Sin, Tax the Sinner" & "Negative externalities"

Examination Policy

- Failure to write an exam results in a grade of zero. Exceptions will only be made under the most extreme circumstances, with a written note, and according to the policies of the department of economics and faculty of Arts.
- Students must report to me the reasons for not writing an exam prior to the exam date or immediately after the exam for my approval.
- Travel plans are not an acceptable reason for requesting an alternative final exam. See <http://www.registrar.uwaterloo.ca/exams/finalexams.html> for details.

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. 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 will be assessed a 20% penalty on the final exam grade. There will be no accommodation for possible differences in exam material or content.

Missing a Midterm 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 feel better. Email notification about the missed exam is not accepted.
- You must write at least one midterm to pass the course.
- Midterms will not be rescheduled under any circumstances.

Missing the Final Exam

- 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.

Economics Department Deferred Final Exam Policy

Deferred Final Exam Policy found at: <https://uwaterloo.ca/economics/current-undergraduates/policies-and-resources/deferred-final-exam-policy>.

Electronic Device Policy

- Photographic devices are not permitted in class; this is a university regulation.
- Laptop computers may only be used to view lecture material.

- Audio or video recording devices are not permitted in class due to copyright and privacy concerns.

No private conversations in class will be tolerated; in order to maintain a learning environment in this classroom, I expect the highest level of courtesy and professional behaviour from every student.

Top Hat

We will be using the Top Hat (www.tophat.com) classroom response system in class. You will be able to submit answers to in-class questions using Apple or Android smartphones and tablets, laptops, or through text message.

You can visit the Top Hat Overview (<https://success.tophat.com/s/article/Student-Top-Hat-Overview-and-Getting-Started-Guide>) within the Top Hat Success Center which outlines how you will register for a Top Hat account, as well as providing a brief overview to get you up and running on the system. An email invitation will be sent to you by email, but if don't receive this email, you can register by simply visiting our course website: <https://app.tophat.com/e/150511>

Note: Our Course Join Code is **150511**.

Top Hat will require a paid subscription, and a full breakdown of all subscription options available can be found here: www.tophat.com/pricing. Should you require assistance with Top Hat at any time, due to the fact that they require specific user information to troubleshoot these issues, please contact their Support Team directly by way of email (support@tophat.com), the in app support button, or by calling 1-888-663-5491.

Grades

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

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.

Institutional-required statements for undergraduate course outlines approved by Senate Undergraduate Council, April 14, 2009

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.

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](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)

https://uwaterloo.ca/arts/current-undergraduates/student-support/ethical-behaviour

[Academic Integrity Office \(UWaterloo\)](https://uwaterloo.ca/academic-integrity/)

https://uwaterloo.ca/academic-integrity/

Accommodation for Students with Disabilities

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 (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.

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.