

University of Waterloo
Department of Economics
ECON 201: Microeconomic Theory for Business (Section 002)
Course Outline – Fall Term 2016

Instructor Information

Instructor: Corey Van de Waal

Office: HH 103

Website: <http://economics.uwaterloo.ca/corey-van-de-waal>

Class Meets: 1:30pm – 2:20pm on Mondays, Wednesdays, and Fridays.

Classroom: AL 208

Email: chvandew@uwaterloo.ca

When sending email to your instructor, always use your University of Waterloo email account. "ECON 201" must appear in the subject line and the message must include your *full name and student ID number*.

Office Hours and Other Support Resources

Office hours: Tuesdays from 10:00am – 1:00pm (Starts September 13th and ends November 29th).

Office hours for the Final Exam Period will be announced in November.

If these office hours are not convenient for you, I am also available by arranging a mutually convenient appointment via e-mail.

Economics Clinic: Winter term hours and locations to be announced.

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 user id and password) <http://learn.uwaterloo.ca>

Brief Summary

This course comprises the theoretical essentials of microeconomics and will serve as a prerequisite for virtually every economics course that you will endeavor to take in the future. The course will cover the theory of consumer choice, the economics of production, and will consider different market structures varying from perfectly competitive to monopoly markets. Students will also be introduced to the basics of Game Theory. There is a voluminous amount of material to cover in this course. We will attempt to get as far through the topic list as our limited time will allow.

Prerequisite: ECON 101.

Course Goals and Learning Objectives

At the end of the course, students should be able to

- apply elements of microeconomic theory to understand how consumers and producers make rational decisions;
- explain the fundamental features of several market structures;
- apply theoretical understanding to problems of production and costs;
- use applied economic techniques to analyze conceptual problems;

Textbook, Coursenotes, and Other Resources

COURSE NOTES

I have prepared a set of course notes that are available on LEARN. These notes will serve as your “textbook”.

TEXTBOOK

There is no required text for this course. Examinations in this course are based on the material contained in the course notes and presented as lecture content (which are strong complements, not substitutes...see Policy on Class Attendance).

Readings Available on LEARN

As mentioned, I will be posting the course lecture slides on LEARN before each class. It is your responsibility to keep yourself current with the assigned readings as well as maintaining an understanding of the lecture content.

- Any additional course materials (news, updates, announcements) 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 midterms will be written in the class period on the dates specified below and the best result will be worth **20%** of your final grade with the other two results being worth **15%** each. The final exam will constitute **50%** of your final grade and will be comprehensive (i.e. cover all course material from beginning to end).

The course grade will be based on three midterm exams and a final examination which will be held during the Official Examination Schedule. The breakdown is as follows:

Assessment	Date of Evaluation	Weighting
Midterm 1	September 28, in class	15% (or 20%, if best)
Midterm 2	October 28, in class	15% (or 20%, if best)
Midterm 3	November 21, in class	15% (or 20%, if best)
Final Exam	TBA (December 8 – 22)	50%
Total		100%

Notes

- The format for all midterms and the final exam will be a mix of multiple-choice questions and written problems.
- The midterm test will be written during the class time.
- The final exam period for the Fall Term 2016 is December 8-22 inclusive. Students are expected to be available during this time. Travel plans are not acceptable grounds for granting an alternative final examination time. <http://uwaterloo.ca/registrar/final-examinations/examination-regulations-and-related-matters>
- The exact date and time for the final exam for this class will be determined by the Registrar's Office. The exam schedule is posted online, will be announced in class, and posted on LEARN.
- Only the Registrar's Office can issue final grades.

This grading scheme will be implemented strictly for all students in the course (with the exception of verified illnesses – see below).

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.
- The midterm exam schedule has been set and will not be changed for whatever reason (no make-up midterm exams will be offered).

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.

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 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.

Topics covered

- Consumer Theory: Lectures #1 to #11
- Producer Theory: Lectures #12 to #18
- Market Structures: Lectures #18 to #26
- Game Theory: Lectures #27 to #29
- Information Economics: Time Permitting

Tentative Class Schedule

This class schedule is very ambitious. 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.

DATE	LECTURE #	TOPICS
Sept. 9/16	-	INTRODUCTORY LECTURE
Sept. 12/16	1	Review: Demand, Simple Derivatives, Elasticity
Sept. 14/16	2	Elasticity, Revenue, Derivation of Demand
Sept. 16/16	3	Supply and Related Concepts
Sept 19/16	4	Applications of the Market Model, Unit Tax Analysis
Sept. 21/16	5	Applications of the Market Model, (Elasticity, Demand graphing), Price Floors and Price Ceilings
Sept. 23/16	6	Axioms of Consumer Behaviour, WARP
Sept. 26/16	-	Overflow / Midterm #1 Review
Sept. 28/16	-	MIDTERM #1 (Covers Lectures 1-6)
Sept. 30/16	7	Cardinal Utility Theory
Oct. 3/16	8	Introduction of Consumer Surplus, Indifference Curve Theory
Oct. 5/16	9	Budget Lines and Consumer Equilibrium
Oct. 7/16	10	Decomposing a Price Change

Oct. 10/16	-	THANKSGIVING
Oct. 12/16	-	STUDY DAY
Oct. 14/16	11	Decomposing a Price Change, Computing the Decomposition
Oct. 17/16	12	Production Functions, Stages of Production, Technological vs. Economic Efficiency
Oct. 19/16	13	Isoquants, Isoclines, Returns to Scale
Oct. 21/16	14	Product Curves, Returns to Scale, Isocost
Oct. 24/16	15	Producer Equilibrium and Profit Maximization
Oct. 26/16	-	Overflow / Midterm #2 Review
Oct. 28/16	-	MIDTERM #2 (Covers Lectures 7 - 15)
Oct. 31/16	16	Cost Minimization, Long Run Costs
Nov. 2/16	17	Short Run Costs and Taxes, Factor Price Changes
Nov. 4/16	18	Economies of Scope, Perfect Competition
Nov. 7/16	19	Perfect Competition, Break-Even and Close-Down Points, Factor Cost Changes (Long Run Industry Supply)
Nov. 9/16	20	Perfect Competition, Welfare Economics
Nov. 11/16	21	Welfare Economics (Price Floor, Quota, Subsidies, Tax, and Free Trade)
Nov. 14/16	22	Monopoly
Nov. 16/16	23	Price Discriminating Monopoly
Nov. 18/16	24	Monopolistic Competition, Introduction to Oligopoly
Nov. 21/16	-	MIDTERM #3 (Covers Lectures 16-24)
Nov. 23/16	25	Oligopoly, Cournot Quantity Competition
Nov. 25/16	26	Oligopoly, Stackelberg Quantity Competition, Collusion
Nov. 28/16	27	Non-Cooperative Games, Dominated Strategies, Nash Equilibrium
Nov. 30/16	28	Oligopoly Games.
Dec. 2/16	29	Mixed Strategy Nash Equilibrium
Dec. 5/16	-	Overflow / Final Exam Review

Other Policies

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.

Policy on remarking of Tests: If you feel that your test was not marked properly, you must advise the instructor within 5 business days of the date on which the test is handed back to the class. Any student that submits a test for remarking should understand that the entire test will be remarked and that their grade may improve, remain unchanged or perhaps even decrease as a result of the remarking process.

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 factor 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 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 the custodial staff, 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.

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>.

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](#).

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.

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](#).

Other sources of information for students:

[Academic Integrity website \(Arts\)](#)

[Academic Integrity Office \(UWaterloo\)](#)

Accommodation for Students with Disabilities

Note for students with disabilities: The [AccessAbility Services](#) office, located on the first floor of the Needles Hall extension (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.