

**University of Waterloo**  
**Department of Economics**  
**ECON 201: Microeconomic Theory 1 (Section 002)**  
**Winter 2017**  
**Class Time: Tue. & Thur. 08:30 am - 10:00 pm**  
**Classroom: AL 208**

**Instructor and T.A. Information**

Instructor: Wokia Kumase

Office: HH 162

Office Phone: 519-888-4567 ext. 30174 (please do not leave voice mails)

Office Hours: Tuesdays and Thursdays 11:30 am – 1:00 pm or by appointment

Email: [wkumase@uwaterloo.ca](mailto:wkumase@uwaterloo.ca)

T.A. Information: TBA.

**Notes on office hours or contacting instructor**

Office hours for the Final Exam Period will be announced in July. If a student is not able to meet during office hours, I am open to arranging a mutually convenient appointment via email. 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.

Economics Clinic: 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 <https://uwaterloo.ca/economics/current-undergraduates/courses-and-outlines/courses-and-outlines>
- LEARN web site (requires UW user id and password) <http://learn.uwaterloo.ca>

**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. Topics will include consumer choice, costs of production and firm behaviour, as well as competition and market structure.

Prerequisite: ECON 101. Also required is elementary algebra and calculus.

## 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, 7<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

- The UW BookStore has the following editions of the same textbook package (buy only one):
  - Option 1: Microeconomics, 7<sup>th</sup> edition (Hardcover) Plus MyEconLab with Pearson eText - Access Card Package. ISBN-13: 9780133577860 (\$199.00)
  - Option 2: Microeconomics, 7<sup>th</sup> edition, Student Value Edition Plus MyEconLab with Pearson eText -- Access Card Package. ISBN-13: 9780133577853 (\$123.60)

## Readings Available on LEARN

- LEARN web site <http://learn.uwaterloo.ca>
- Announcements, lecture slides, midterm solutions
- Econ 201 – Math Review—this document covers mathematical concepts that students should be familiar with for the course.
- Problem Sets – practice questions

Sets of practice questions will be posted along with solutions. These problems are not a component of students' evaluation.

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 Requirements and Assessment

There will be two (2) midterm exams in class on February 02nd and March 09th. Subject coverage for both midterms will be specified in class. There will also be a take home assignment to be submitted in class on March 28th. 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).

Midterm 1	Thursday Feb. 02, 8:30-10:0 am	20%
Midterm 2	Thursday Mar. 09, 8:30-10:00 am	20%
Assignment	Due Mar. 28 In Class	10%
Final exam (comprehensive)	TBA (Apr. 07 – 25)	50%

## Midterms and the Final Exam

- The format for both 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 Winter Term 2017 is April 7 – 25 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 policy will be implemented strictly for all students in the course (with the exception of verified illnesses – see below).

### **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

### **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>.

**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.

## Course Outline

This class schedule is 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.

## 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: A consumer's Constrained Choice  Chapter 4: Demand Chapter 5: Consumer welfare and Policy Analysis	<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: P & A of the Competitive Model  Chapter 11: Monopoly and Monopsony Chapter 12: Pricing and Advertising  *Chapter 14: Oligopoly and Monopolistic Competition *Chapter 10: General Equilibrium and Economic Welfare	<b>Weeks 8 - 9</b>  <b>Weeks 10 - 12</b>
<ul style="list-style-type: none"><li>Any changes to this schedule and any other relevant information will be announced in class and posted in the LEARN News section.</li></ul>	

## **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.

- 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 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 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.

## **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](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.