

University of Waterloo
Department of Economics
Econ 301 – Section 002
Microeconomic Theory II
Fall 2016
MWF, 8:30-9:20 AM DWE 2527

Instructor Information

Instructor: Ryan George

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Office Hours: MWF 11AM-12 noon or by appointment

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The instructor will only respond to emails that include “Econ 301” in the subject line of the message.

Course Description

The course deepens the discussion of consumer theory presented in Econ 201 using the mathematical tools acquired in Econ 211. Partial equilibrium models of labour markets and borrowing/saving by households are presented. Welfare measures are introduced that contribute to the evaluation of policy changes and taxes. The final portion of the course examines the allocative efficiency of competitive markets, studied using general equilibrium models. We will see how the presence of externalities can necessitate government intervention to ensure efficient outcomes.

Course Goals and Learning Outcomes

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

- A. Study portions of the applied microeconomic literature and follow courses that presume an intermediate preparation in microeconomic theory.
- B. Employ the tools of differential calculus (esp. constrained and unconstrained optimization) in developing microeconomic models.

Required Text

- Nechyba, Thomas J., 2011, *Microeconomics: An Intuitive Approach with Calculus* (South-Western Cengage Learning).

Several copies of the textbook are on reserve at the Dana Porter Library.

Readings Available on LEARN

- Lecture notes – pdf files contain statement of main results and problems/examples, to be used as template for taking notes during lecture;
- Announcements, assignments and their solutions, midterm solutions.
- Solutions to recommended textbook problems.

Course Requirements and Assessment

Assessment	Date of Evaluation (if known)	Weighting
Assignments (3 @ 5% each)	TBA	15%
Midterm 1	Monday, October 3 rd	20%
Midterm 2	Friday, November 4 th	20%
Final Examination	Exam Period (scheduled by Registrar's Office)	45%
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Total		100%

Assignments

There will be three assignments over the course of the term. Each will count for 5% of the final grade. The assignments will be posted on LEARN, and due in class. Due dates to be announced. Without a prior arrangement with the instructor, *no late assignments will be accepted.*

Midterm Examination

The midterm exams will be **held in class on October 3rd and November 4th**. They will test students' proficiency with the material covered in the lectures, assignments and practice problems.

Final Examination

The final exam is comprehensive. The date will be set by the Registrar's Office.

Course Outline (Tentative)

Week	Date	Lecture Topic	Readings Due
1	Sept.9	Introduction to Course; 1. Choice Sets	Ch.2 and Ch.3
2	Sept. 12 Sept.14, 16	1. Choice Sets (contd.) 2. Tastes and Utility Functions	Ch.4 and Ch.5
3	Sept. 19 Sept. 21, 23	2. Tastes and Utility Functions (contd.) 3. Solving Constrained Optimization Problems	Ch.6
4	Sept. 26, 28 Sept. 30	4. Demand: Substitution and Income Effects <i>Catchup and Midterm Review</i>	Ch. 7 and 9
5	Oct. 3 Oct. 5, 7	Midterm 1 during lecture Monday, Oct. 3 5. Labour supply and Savings functions, Substitution and Wealth Effects	Ch.8 and Ch. 9
6	Oct. 10, 12 Oct. 14	No lecture – study days 5. Labour supply and Savings functions, Substitution and Wealth Effects (contd.)	
7	Oct. 17, 19, 21	6. Value Functions and Duality in the Consumer Problem	Ch.10
8	Oct. 24, 26 Oct. 28	7. EV, CV, Consumer Surplus and the DWL of Taxation 8. Firm Supply, Labour Demand and Partial Equilibrium	Ch.10 Ch.11
9	Oct. 31 Nov.2 Nov.4	8. Firm Supply and Labour Demand (contd.) <i>Catchup and Midterm Review</i> Midterm 2 during lecture Friday, Nov. 4	
10	Nov. 7, 9 Nov. 11	9. Efficient Allocations in a Pure Exchange Economy 10. Competitive Equilibrium in a Pure Exchange Economy	Ch.16
11	Nov. 14 Nov. 16, 18	10. Competitive Equilibrium (contd.) 11. Pure Exchange and Welfare Theorems	Ch.16
12	Nov. 21, 23, 25	12. Consumption Externalities	Ch.21
13	Nov. 28 Nov. 30, Dec. 2	12. Consumption Externalities (contd.) 13. Public Goods	Ch.27
14	Dec. 5	<i>Course Review and Exam Details</i>	

Missed Work and Accommodation Regarding Assessment

If a student is unable to take one midterm exam for documented reasons, the weight of the midterm will be shifted automatically to the final exam. If a student misses a second midterm for documented reasons, a make-up exam will be offered at an arranged time. ***Please note that students who decide to take an exam cannot be given accommodation after the fact due to illness or personal complicating factors that may have affected their performance.*** If you are not well on the day of an exam it is advisable that you not take the exam and obtain valid documentation of the circumstances of this decision.

Electronic Device Policy

To avoid disruptions to the learning environment handheld devices must be turned off during the lecture and laptops must be used strictly for lecture-related purposes. If a student's use of a laptop becomes a distraction for adjacent students that student will be asked to discontinue its use.

Attendance Policy

Lectures are an important component of the learning process and should be attended regularly.

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. 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.

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. 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.

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.