

University of Waterloo
Department of Economics
Econ 101-001
Introduction to Microeconomics
Winter 2020
MWF 8:30-9:20am, STP 105

Instructor Information

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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 (2019). Economics: Canada in the Global Environment, 10th edition. Pearson Education Canada. Available from UW BookStore.

Optional:

Accompanying Study Guide and MyEconLab

Readings Available on LEARN

- Lecture overhead slides and/or additional course materials 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 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	Jan 6, 8, 10	Introduction to Economics?	Chp. 1: What is Economics? Chp. 2: The Economic Problem.
2	Jan 13, 15, 17	Markets	Chp. 3: Demand and Supply
3	Jan 20, 22, 24	Markets	Chp. 4: Elasticity
4	Jan 27, 29,	Markets	Chp. 5: Efficiency and Equity
	Jan 31	Midterm I	Chp 1-4
5	Feb 3, 5, 7	Markets and Government Action	Chp. 6: Gov't Actions in Markets
	Feb 10, 12, 14	Consumer Theory	Chp. 8: Utility and demand
Reading Week			
6	Feb 24, 26	Consumer Theory	Chp. 9: Possibilities, Preferences and Choices
	Feb 28	Midterm II	Chp 5-8 (chp 7 not included)
7	Mar 2, 4, 6	Producer Theory	Chp. 10: Organizing Production
8	Mar 9, 11, 13	Producer Theory	Chp. 11: Output and Costs
9	Mar 16, 18	Market Structures	Chp. 12: Perfect competition
	Mar 20	Midterm III	Chp 9-11
10 -12	Mar 23, 25 Mar 27, 30 Apr 1, 3,	Market Structures and Equilibrium Outcome	Chp. 13: Monopoly Chp. 14: Monopolistic Competition Chp. 15: Oligopoly

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). 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
Midterm I	Friday Jan 31, 8:30 - 9:20am	15%
Midterm II	Friday Feb 28, 8:30 - 9:20am	15%
Midterm III	Friday Mar 20, 8:30 - 9:20am	15%
Final Exam	TBA	55%
Total		100%

Examination Policy

- 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.

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.**

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 sections. Students writing exams in the wrong section are considered not writing exams at all and will receive a zero mark.

Fee-Arranged Issues

- Students are responsible for administrative matters concerning their course registration including fee arrangements with the Registrar's Office. No make-up work or other remedies will be given for loss of access to LEARN and academic consequences arising from administrative issues with the Registrar's Office.

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

Economics Department Deferred Final Exam Policy

Deferred Final Exam Policy found at <https://uwaterloo.ca/economics/undergraduate/resources-and-policies/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.

If you are 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.

Mental Health Support

All of us need a support system. The faculty and staff in Arts encourage students to seek out mental health supports if they are needed.

On Campus

- Counselling Services: counselling.services@uwaterloo.ca / 519-888-4567 xt 32655
- [MATES](#): one-to-one peer support program offered by Federation of Students (FEDS) and Counselling Services
- Health Services Emergency service: located across the creek from Student Life Centre

Off campus, 24/7

- [Good2Talk](#): Free confidential help line for post-secondary students. Phone: 1-866-925-5454
- Grand River Hospital: Emergency care for mental health crisis. Phone: 519-749-433 ext. 6880
- [Here 24/7](#): Mental Health and Crisis Service Team. Phone: 1-844-437-3247
- [OK2BME](#): set of support services for lesbian, gay, bisexual, transgender or questioning teens in Waterloo. Phone: 519-884-0000 extension 213

Full details can be found online at the Faculty of ARTS [website](#)

Download [UWaterloo and regional mental health resources \(PDF\)](#)

Download the [WatSafe](#) app to your phone to quickly access mental health support information

Territorial Acknowledgement

We acknowledge that we are living and working on the traditional territory of the Attawandaron (also known as Neutral), Anishinaabe and Haudenosaunee peoples. The University of Waterloo is situated on the Haldimand Tract, the land promised to the Six Nations that includes six miles on each side of the Grand River.