

**University of Waterloo**  
**Department of Economics**  
**ECON 101: Introduction to Microeconomics**  
**Winter 2020**  
**Section 005: Tue & Thu 10:00 - 11:20 am – QNC 2502**  
**Section 006: Tue & Thu 08:30 - 09:50 am – QNC 2502**

**Instructor Information**

Instructor: Ahmet OZKARDAS

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Office Hours: Tuesday – Thursday 2:30 – 4:00 pm, or by appointment

**Course Description**

This is an introductory course in economics for students to grasp basic microeconomic concepts essential for understanding contemporary issues pertinent to the Canadian economy. You will learn about, among other topics, basic economic concepts such as scarcity, opportunity cost, economic efficiency and the behavior of individual consumers and producers and how decisions are made based on the allocation of limited resources. We will examine how these decisions and behaviors affect the supply and demand for goods and services, which determine the prices we pay. And how prices we pay, in turn, determine the quantity of goods supplied by producers and the quantity of goods demanded by consumers. We will further study impact of government policies on formation and functioning of the market place, as well as a range of different market structures like perfect competition, monopoly, oligopoly and others.

**Course Goals and Learning Outcomes**

The objectives of this course for students are:

- To understand the need for people to make choices and together work towards overcoming the universal problem of scarcity;
- To appreciate the relevance of economics in a dynamically changing world;
- To develop the capacity to routinely apply critical thinking to economic issues.

Upon completion of this course, students should be able to

- apply microeconomic theory to understand how consumers and producers make purposeful decisions;
- be familiar with different market structures, production and costs, and the government role;
- analyze conceptual economic problems and describe them in a simple language;
- break down problems into their economic parts and describe them.

To get the most out of the course, students are strongly encouraged to attend all lectures, and participate in class discussion. Knowledge of basic algebra is required for the course. A specific timetable indicating which topics will be discussed on a specific lecture date is provided but our progress will depend on class ability and interest in the lecture materials. For this reason, the contents of each week may change during the semester.

## Required Textbook and Study Guide

- **Parkin, Michael and Robin Bade (2019). Microeconomics: Canada in the Global Environment, 10th edition.** Pearson Education Canada (with accompanying Pearson FlexText and MyLab Economics). The textbook is available from the UW Book Store.
- A hard copy of the textbook print edition is also on reserve at the Dana Porter Library.
- The use of my MyLab Economics tests are **optional**. You may use them as a practice tool for midterm and final exams, but they will not be used for grading purposes.
- **Study Guide (Recommended):** Cohen, Avi J., Microeconomics, flexText, Pearson, 2019

All midterm and final examination questions are based on the **material contained in the assigned textbook readings and presented during lectures.**

## Readings Available on LEARN

Lecture slides will be posted on LEARN. Students should check LEARN daily for announcements, course changes, and class materials. Note that the LEARN website may not be available from time to time. As such, students must download the class materials to their computer as soon as they are posted.

## Notes on office hours or contacting instructor

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, always use your University of Waterloo email account. "ECON 101" must appear in the subject line and the message must include your full name and student ID number. Please use email for administrative concerns and very brief questions related to the course material. I will be available during office hours, or by appointment, to discuss course material.

## Course Requirements and Assessment

Online Quizzes will be posted on LEARN and you will have one weekend (specified below) to submit your quiz. Each quiz will be worth 2% of your final grade.

The midterm will be written in the class period on the date specified below and will be worth 25% of your final grade.

The final exam, which will be scheduled by the registrar during the examination period April, will constitute 45% of your final grade and will be comprehensive (i.e., cover all course material from beginning to end).

<i>Assessment</i>	<i>Date</i>	<i>Weight</i>
<i>Online Quiz 1</i>	Jan 25 - 26 (LEARN)	2%
<i>Midterm exam</i>	Feb 13 - Thursday (in class)	25%
<i>Online Quiz 2</i>	Feb 29 – Mar 1 (LEARN)	2%
<i>Online Quiz 3</i>	Mar 28 - 29 (LEARN)	2%
<i>Term Project</i>	TBA	24%
<i>Final exam</i>	Determined by Register's Office	45%
<i>Total</i>		100%

## 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.

<b>Week 1/1 (Jan 7 – Tuesday)</b>
<ul style="list-style-type: none"><li>• Introduction</li><li>• Course outline details</li><li>• Graphs in economics</li><li>• Description of term project: Infographics</li></ul>
<b>Required reading:</b>
<i>Chapter 1: What is Economics</i> <ul style="list-style-type: none"><li>• Appendix Graphs in Economics pg. 17 – 27</li></ul>

<b>Week 1/2 (Jan 9 – Thursday)</b>
<ul style="list-style-type: none"><li>• <b>Topic 1:</b> Two big economic questions</li><li>• <b>Topic 2:</b> The economic way of thinking</li></ul>
<b>Required reading:</b>
<i>Chapter 1: What is Economics</i> <ul style="list-style-type: none"><li>• Definition of economics pg. 2</li><li>• Two big economic questions pg. 3 – 7</li><li>• Economics in the news pg. 6</li><li>• At Issue pg. 8</li><li>• The economic way of thinking pg. 9 – 10</li><li>• Economics in the news pg. 14</li></ul>

<b>Week 2/1 (Jan 14 – Tuesday)</b>
<ul style="list-style-type: none"><li>• <b>Topic 3:</b> Production possibilities and opportunity cost</li><li>• <b>Topic 4:</b> Using resources efficiently</li></ul>
<b>Required reading:</b>
<i>Chapter 2: The Economic Problem</i> <ul style="list-style-type: none"><li>• Production possibilities and opportunity cost pg. 34 – 36</li><li>• Economics in the news pg. 36</li><li>• Using resources efficiently pg. 37 – 39</li><li>• Economics in the news pg. 36</li></ul>

<b>Week 2/2 (Jan 16 – Thursday)</b>
<ul style="list-style-type: none"><li>• <b>Topic 5:</b> Demand</li></ul>
<b>Required reading:</b>
<i>Chapter 3: Demand and Supply</i> <ul style="list-style-type: none"><li>• Market and prices pg. 60</li><li>• Demand pg. 61 – 65</li></ul>

**Week 3/1 (Jan 21 – Tuesday)**

- **Topic 6:** Supply

**Required reading:**

*Chapter 3: Demand and Supply*

- Supply pg. 66 – 69

**Week 3/2 (Jan 23 – Thursday)**

- **Topic 7:** Market equilibrium
- **Topic 8:** Predicting changes in price

**Required reading:**

*Chapter 3: Demand and Supply*

- Market equilibrium pg. 70 – 71
- Economics in the news pg. 73
- Predicting changes in price 72 – 77
- Economics in the news pg. 75
- Economics in the news pg. 78 – 79

**Week 3 (Saturday – Sunday, Jan 25 – 26)**

**Online Quiz 1 (LEARN)**

**Week 4/1 (Jan 29 – Tuesday)**

- **Topic 9:** Price elasticity of demand

**Required reading:**

*Chapter 4: Elasticity*

- Price elasticity of demand 88 – 94
- Economics in action pg. 93
- Economics in the news pg. 94

**Week 4/2 (Jan 30 – Thursday)**

- **Topic 10:** Income and Cross-price elasticity of demand
- **Topic 11:** Elasticity of supply

**Required reading:**

*Chapter 4: Elasticity*

- More elasticities of demand 95 – 98
- Economics in the news pg. 97
- Elasticity of supply pg. 98 - 101
- Economics in the news pg. 102 – 103

**Week 5/1 (Feb 4 – Tuesday)**

- **Topic 12:** Consumer Surplus and Producer Surplus
- **Topic 13:** Is the competitive market efficient?

**Required reading:**

*Chapter 5: Efficiency and Equity*

- Benefit, cost and surplus pg. 112 – 115
- Is the competitive market efficient? Pg. 116 - 119
- At Issue pg. 123
- Economics in the news pg. 124 – 125

**Week 5/2 (Feb 6 – Thursday)**

- **Topic 14:** Market with price ceiling
- **Topic 15:** Market with price floor

**Required reading:**

*Chapter 6: Government Actions in Markets*

- A housing market with a rent ceiling pg. 132 – 134
- A labour market with a minimum wage pg. 135 – 137
- At Issue pg. 136

**Week 6/1 (Feb 11 – Tuesday)**

- **Topic 16:** Taxes and efficiency
- **Topic 17:** Production quotas and subsidies

**Required reading:**

*Chapter 6: Government Actions in Markets*

- Taxes pg. 137 – 143
- Economics in action pg. 142
- Production quotas and subsidies pg. 143 – 145
- Economics in action pg. 145
- Economics in the news pg. 150 – 151

**Week 6/2 (Feb 13 – Thursday)**

**Midterm Exam**

**Reading Week  
(Feb 15 – 22)**

**Week 7 /1 (Feb 25 – Tuesday)**

- **Topic 18:** Consumption choices
- **Topic 19:** Utility maximizing choice

**Required reading:**

*Chapter 8: Utility and Demand*

- Consumption choices pg. 182 – 184
- Utility maximizing choice pg. 185 – 188

**Week 7/2 (Feb 27 – Thursday)**

- **Topic 20:** Predictions of marginal utility theorem

**Required reading:**

*Chapter 8: Utility and Demand*

- Predictions of marginal utility theorem pg. 189 – 192
- Economics in action pg. 194 – 195
- Economics in the news pg. 198 – 199

**Week 7 (Saturday – Sunday, Feb 29 – Mar 1)**

**Online Quiz 2 (LEARN)**

**Week 8/1 (Mar 3 - Tuesday)**

- **Topic 21:** Economic cost and profit
- **Topic 22:** Short-run technology constraint

**Required reading:**

*Chapter 10: Output and Cost*

- Economic cost and profit pg. 228 – 230
- Short-run technology constraint pg. 231 – 234
- Economics in action pg. 234

**Week 8/2 (Mar 5 – Thursday)**

- **Topic 23:** Short-run cost

**Required reading:**

*Chapter 10: Output and Cost*

- Short-run cost pg. 235 – 241
- Economics in the news pg. 238 – 239

**Week 9/1 (Mar 10 – Tuesday)**

- **Topic 24:** Long-run cost

**Required reading:**

*Chapter 10: Output and Cost*

- Long-run cost pg. 242 – 245
- Economics in action pg. 245
- Economics in the news pg. 246 – 247

**Week 9/2 (Mar 12 – Thursday)**

- **Topic 25:** What is perfect competition?
- **Topic 26:** The firm's output decision in perfect competition

**Required reading:**

*Chapter 11: Perfect Competition*

- What is perfect competition pg. 254 – 255
- The firm's output decision pg. 256 – 259

**Week 10/1 (Mar 17 – Tuesday)**

- **Topic 27:** Perfect competition in the short-run
- **Topic 28:** Perfect competition in the long-run

**Required reading:**

*Chapter 11: Perfect Competition*

- Output, price, and profit in the short-run pg. 260 – 263
- Economics in action pg. 263
- Output, price, and profit in the long-run pg. 263 – 265
- Economics in action pg. 265

**Week 10/2 (Mar 19 – Thursday)**

- **Topic 29:** Competition and efficiency
- **Topic 30:** Monopoly and how it arises

**Required reading:**

*Chapter 11: Perfect Competition*

- Competition and efficiency pg. 270 – 271
- Economics in the news pg. 272 – 273

*Chapter 12: Monopoly*

- Monopoly and how it arises pg. 280 – 281

**Week 11/1 (Mar 24 – Tuesday)**

- **Topic 31:** A single-price monopoly's output and price decision
- **Topic 32:** Single-price monopoly and competition compared

**Required reading:**

*Chapter 12: Monopoly*

- A single-price monopoly's output and price decision pg. 282 – 285
- Single-price monopoly and competition compared pg. 286 – 289
- Economics in action pg. 293
- Economics in the news pg. 294
- Economics in the news pg. 298 – 299

**Week 11/2 (Mar 26 – Thursday)**

- **Topic 33:** Monopolistic competition and other market structures

**Required reading:**

*Chapter 13: Monopolistic Competition*

- Monopolistic competition and other market structures pg. 306 – 309
- Economics in action pg. 309

*Chapter 14: Oligopoly*

- What is oligopoly pg. 326 – 327

**Week 11 (Saturday – Sunday, Mar 28 – 29)**

**Online Quiz 3 (LEARN)**

<b>Week 12 (Mar 31 – Tuesday)</b>
<ul style="list-style-type: none"><li>• <b>Infographic Presentations</b></li></ul>

<b>Week 12 (Apr 2 – Thursday)</b>
<ul style="list-style-type: none"><li>• <b>Infographic Presentations</b></li></ul>

### **Midterm and Final Exam**

The midterm test will be written during the class time. Midterm marks will be posted on LEARN. The final exam is scheduled by the Registrar's office during the final examination period. 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/finalexaminations/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).

### **Term Project**

Groups of four will be assigned one of the topics presented in class and each group will create an infographic for one of these topics. Details about the projects can be found on LEARN. Term project is due in three parts:

1. Infographic submission (15%)
2. Peer Review (4%)
3. Presentation (5%)

### **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 – absolutely no exceptions!**).

### **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 paper not submitted on time, or submitted with missing pages, or submitted elsewhere, with the exception of students with permission to write in the AS Office, or not received at all, will receive a grade of zero for whatever reason – **No exceptions.**

**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**

Laptop computers or other electronic devices (i.e., Apple or Android smartphones and tablets) may only be used to view lecture material.

### **Attendance Policy and Classroom Protocols**

Class attendance is an integral part of the course. Although attendance is not formally taken, it is critical for understanding the course material. Students are responsible for all material covered whether they choose to attend lectures or not.

To maintain a classroom environment that is conducive to learning, students are expected to have the highest level of courtesy and professional behavior. Students must be punctual. If you know that you have to leave early, seat yourself near an exit. Please turn off all audible ringers on phones and other electronic devices while in class. Please leave your private conversations for after the class.

As a courtesy to the custodial staff, if you have coffee, water, etc., please dispose of your garbage when you leave the classroom.

### **Study Tips**

Read the material and practice, practice, practice. I would urge you to reserve at least six hours a week to read the material (e.g., textbook chapters and notes) and do all the problems at the end of the chapters in the textbook. Do not wait until a couple of days before the exams—you will be overwhelmed.

## **Places to learn more about economics**

This list is mainly taken from the website of American Economic Association (<https://www.aeaweb.org/resources/students>) and it is addressed to all students who has interest on further materials about macroeconomics.

### ***Books:***

- Charles Wheelan, *Naked Economics: Undressing the Dismal Science*, (W. W. Norton, 2010) ISBN 0393337642
- Daron Acemoglu and James Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty* (New York: Crown Publishing Group, 2012) 978-0307719218
- Joseph E. Stiglitz, *The Price of Inequality: How Today's Divided Society Endangers Our Future*, (W. W. Norton, 2012) ISBN 978-0393088694
- Joseph E. Stiglitz, *Freefall*, (W. W. Norton, 2010) ISBN 978-0393075960
- Paul Krugman, *The Return of Depression Economics and The Crisis of 2008*, (W. W. Norton, 2009) ISBN 978-0393071016
- Robert L. Heilbroner, *The Worldly Philosophers*, seventh edition (New York: Touchstone Books, 1999) ISBN 068486214X
- Rudyard Griffiths, *Should We Tax The Rich More?*, (Aurea Foundation, 2013) ISBN 978-1770894211
- Steven D. Levitt and Stephen J. Dubner, *Freakonomics: A Rogue Economist Explores the Hidden Side of Everything*, (New York: Harper Perennial, 2005) ISBN 0060731338
- Steven D. Levitt and Stephen J. Dubner, *SuperFreakonomics: Global Cooling, Patriotic Prostitutes, and Why Suicide Bombers Should Buy Life Insurance*, (William Morrow, New York, 2009)
- Steven D. Levitt and Stephen J. Dubner, *Think Like a Freak: The Authors of Freakonomics Offer to Retrain your Brain*, (William Morrow, 2014). 0062218336

### ***Podcasts:***

- EconTalk - sponsored by The Library of Economics and Liberty

### ***Blogs:***

- Core Economics
- Economix (New York Times)
- Freakonomics Blog (Steve Levitt and Steve Dubner)
- Paul Krugman website
- Greg Mankiw's Blog
- Macroadvisers (Macroeconomic Advisers)
- macroblog (David Altig)
- Money, Banking, and Financial Markets (Steve Cecchetti and Kim Schoenholtz)
- NEP-LTV Blog: Unemployment, Inequality & Poverty
- NEP-OPM Blog: Open Economy Macro
- Real Time Economics (Wall Street Journal)

## **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**

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**

[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.

## **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](mailto:counselling.services@uwaterloo.ca) / 519-888-4567 ext 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), Anishinaabeg 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.