

University of Waterloo
Department of Economics
Economics 393
Market Failures
Tuesday, Thursday 10:00-11:20, DWE 3522
No classes: Thursday May 10th; Tuesday May 22nd

Course Outline Spring 2018

Instructor information

Instructor: John Burbidge

Office: HH-125

Office Hours: Wednesday 10:00-noon, Thursday 2:30-4:30, or by appointment

Email: jburbidg@uwaterloo.ca

Course web page: <http://artsonline.uwaterloo.ca/jburbidg/>

Course description

The undergraduate calendar description for this course is:

Market Failures

This course explores the many ways in which the assumptions of the perfectly competitive model are violated in the real world, and the consequences of these market failures for consumers and firms. The course examines potential government intervention to "fix" the failures as well as the limits of government intervention. Topics include monopoly/monopsony, externalities, the tragedy of the commons, public goods, asymmetric information, and incomplete information.

Prereq: ECON 391

Text

There is no text for this course. Ted Bergstrom, who teaches at UC Santa Barbara, does as good a job as anyone at covering most of the topics listed in the course outline above. His web site is here:

<https://econ.ucsb.edu/~tedb/>

and sample problems for much of the material covered in the course are here:

<https://econ.ucsb.edu/~tedb/Courses/GraduateTheoryUCSB/workouts.pdf>

Topics

Monopoly and monopsony: **Workouts**, pp. 297-320

Externalities: **Workouts**, pp. 409-419

Public goods: **Workouts**, pp. 433-440

Asymmetric information: **Workouts**, pp. 441-448

Directed search survey: R. Wright et al., <http://www.nber.org/papers/w23884>

Equilibria in overlapping-generations models

Evaluation

The final grade will be based on five take-home assignments, two term tests and a final exam.

Assignments (10% of the final grade)

There will be 5 assignments, worth 2% each. The assignments and their due dates will be posted on the course web site, which is stated above. The assignments must be submitted in person in class on their due dates.

In-class tests (30% of the final grade)

There will be two in-class tests, each worth 15% of the final grade. The first test will be held Thursday May 31st. The second test will be held Thursday June 28th.

Final Examination (60%)

The final examination will be on the entire term's work and will be scheduled by the Registrar.

There will be no make-up assignments or tests. If a student misses an assignment or a test, and she/he can provide credible documentation for missing the assignment or the test, the weight on the assignment or test will be transferred to the final exam. The credible documentation must be signed and handed to the instructor in class.

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.

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 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.