

Economics 201 (L01) (Principles of Microeconomics)

Instructor: Sencer Karademir
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Lecture Location: MFH 164
Lecture Days/Time: MW 9:00 – 11:45am

Office: SS 417

Office Hours: MW 01:00 – 02:00pm

(SUMMER 2022)

Course Description:

Economics is the study of how we respond to scarcity, in particular the alternatives and implications of how different institutions manage scarcity. Scarcity means that individuals and societies must make choices. The choice of institutions determines the allocation of scarce resources—what and how much gets produced, how is it produced, and who gets what is produced—and our standard of living. Econ 201 develops principles on how individuals make choices and how those choices are influenced by institutions. There is a particular focus on understanding the use of markets to allocate resources. The objective is to understand how markets work, when they work well, when they do not work well, and the role for governments and non-market allocation.

Course Learning Outcomes:

I. The Implications of Scarcity: Opportunity Cost

- Opportunity cost: every choice has a cost, the foregone alternative. Opportunity cost is necessarily implied by scarcity.
- Individuals make decisions under constraints.
- Rational decision makers make decisions at the margin.
- Individuals respond to incentives: by changing the marginal cost and benefit of an activity, the level of the activity will change.

II. Voluntary Trade and Efficiency

- Voluntary trade can make both parties better off.
- Voluntary trade, because it makes both parties better off, is socially desirable, unless
 - ◇ it harms a third party (not Pareto Improvement) or
 - ◇ the harm to third parties exceeds the benefit of the voluntary trade (not a Potential Pareto Improvement).

III. Institutional Framework

- Markets operate within an institutional framework. Those institutions can be provided privately, but some are more likely best provided by collective action.
 - ◇ The institutional framework includes private property rights, contract law, means of exchange, and the judicial system.
 - ◇ Governments define the extent and scope of private property rights: private property rights provide the incentive for investment.

III. Markets and Gains from Trade

- Prices in competitive markets signal value.
- Prices are the means by which decentralized decisions are coordinated.
- Prices allocate resources in market economies: prices formed in markets determine what gets produced, how it is produced, and to whom it is distributed.
- Under certain conditions, markets can promote the efficient allocation of resources.
- Market structure determines market power, which affects welfare.

IV. Government Intervention

- Government activities are financed by taxes: taxes affect economic decisions.
- Markets may not be the optimal governance structure when there are externalities, public goods, information is asymmetric, or there is market power.
- The choice is often between imperfect markets and imperfect government interventions.

V. Income Distribution

- The wealth of a nation is a function of the value of goods and services it produces.
- In competitive markets, incomes depend on the productivity of a factor of production and the value of its output. Wage differentials in competitive markets reflect differences in productivity.
- Other institutional factors can affect wages: regulation, monopsony power, discrimination.
- The distribution of income is influenced by political institutions and government policies: social insurance policies, income redistribution, anti-trust regulations.

VII. Public Choice

Course Outline:

This course will cover the following topics:

1. Core Principles of Economics	Chapter 1
2. Demand: Thinking Like a Buyer	Chapter 2
3. Supply: Thinking Like a Seller	Chapter 3
4. Equilibrium: Where Supply Meets Demand	Chapter 4
5. Elasticity: Measuring Responsiveness	Chapter 5
6. When Governments Intervene in Markets	Chapter 6
7. Welfare and Efficiency	Chapter 7
8. Gains from Trade	Chapter 8
9. Applications: International Trade	Chapter 9
10. Applications: Externalities and Public Goods	Chapter 10
11. Applications: The Labor Market	Chapter 11
12. Wages, Workers, and Management	Chapter 12
13. Inequality, Social Insurance, and Redistribution	Chapter 13
14. Market Structure and Market Power	Chapter 14
15. Entry, Exit, and Long-Run Profitability	Chapter 15

Prerequisites/corequisites:

None

Required Textbook(s):

Betsey Stevenson and Justin Wolfers, *Principles of Microeconomics*, 1st Edition, Worth Publishers + “Achieve” online resource (comes with text; e-book options available, and cheapest)

Recommended Textbook(s):

Additional recommended readings will be posted on D2L.

Desire2Learn:

This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at <http://d2l.ucalgary.ca> through their student centre. Please note that D2L features a class e-mail list that may be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.

Tutorials:

Students are expected to attend the weekly tutorial section to which they have been assigned. During the tutorials, the TA will discuss pre-assigned questions and additional material relevant to the course that is not covered in lectures.

Grade Determination and Final Examination Details:

5 Quizzes (4 best counted)	10%
2 Assignments	20%
1 Midterm	30%
Final Exam	40%
	<hr/>
	100%

The official grading system will be used. See <http://www.ucalgary.ca/pubs/calendar/current/f-1-1.html>.

A passing grade on any particular component of the course is not required for a student to pass the course as a whole.

If a student's letter grade on the final exam exceeds their midterm(s) letter grade, the weight of the midterm(s) is (are) transferred to the final exam at the discretion of the instructor. The student must have written the midterm(s) or provided supporting documentation for the absence(s) such as a medical note or statutory declaration.

As per the Writing Across the Curriculum Statement in the Calendar, writing and grading thereof will be a factor in the evaluation of student work. See <https://www.ucalgary.ca/pubs/calendar/current/e-2.html>.

Course material dealing with a particular assignment will typically be covered in class at least 1 week before the assignment is due; thus, assignments can be completed at any time up to and including the due date. Given these factors, only situations where someone can document illness or domestic affliction for an extended period (i.e., the entire week prior to the due date) would possibly warrant shifting the assignment weight to the final exam. Furthermore, technical problems can be expected to occur with computer systems (and internet availability) so it may be a good idea to not wait until the last minute to submit your assignment.

Any student work which remains undistributed after the last day of classes will be available to students through the instructor's office during the instructor's office hours.

The final examination will be comprehensive, scheduled by the Registrar, held in a classroom, and last 2 hours. If a student cannot write their final exam on the date assigned by the Registrar's Office, they need to apply for a deferred exam <https://www.ucalgary.ca/pubs/calendar/current/g-6.html>. Under no circumstance will this be accommodated by the Department.

Tests and exams will involve multiple choice questions.

Programmable calculators, cellphones, textbooks, course notes, and other electronic devices will not be allowed during the writing of tests or final examinations. Students are reminded that simply being able to access their cellphone during an exam is academic misconduct.

The exact date for the in-class midterms will be announced at least one week in advance.

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES/TESTS/EXAMS under any circumstances, nor may the quizzes/tests/exams be written early. Students unable to write the quizzes/tests/exams because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the final examination; otherwise a grade of zero will be assigned.

Reappraisal of Grades:

For Reappraisal of Graded Term Work, see Calendar I.2

<http://www.ucalgary.ca/pubs/calendar/current/i-2.html>

For Reappraisal of Final Grade, see Calendar I.3

<http://www.ucalgary.ca/pubs/calendar/current/i-3.html>

Academic Misconduct:

Academic Misconduct refers to student behavior that compromises proper assessment of students' academic activities and includes: cheating; fabrication; falsification; plagiarism; unauthorized assistance; failure to comply with an instructor's expectations regarding conduct required of students completing academic assessments in their courses; and failure to comply with exam regulations applied by the Registrar.

Student committing academic misconduct during the final exam will not receive a passing grade for the course.

For information on the Student Academic Misconduct Policy, Procedure and Academic Integrity, please visit: <https://www.ucalgary.ca/pubs/calendar/current/k-3.html>

Academic Accommodations:

Students seeking an accommodation based on disability or medical concerns should contact Student Accessibility Services. SAS will process the request and issue letters of accommodation to instructors. Students who require an accommodation in relation to their coursework based on a protected ground other than disability should communicate this need in writing to their instructor. The full policy on Student Accommodations is available at

<https://www.ucalgary.ca/legal-services/university-policies-procedures/accommodation-students-disabilities-procedure>

Freedom of Information and Protection of Privacy (FOIP) Act:

Personal information is collected in accordance with FOIP. Assignments can only be returned to the student and will be accessible only to authorized faculty and staff. For more information, see <https://www.ucalgary.ca/legal-services/access-information-privacy>

Copyright Legislation:

See the University of Calgary policy on Acceptable Use of Material Protected by Copyright at <https://www.ucalgary.ca/legal-services/university-policies-procedures/acceptable-use-material-protected-copyright-policy> Students who use material protected by copyright in violation of this policy may be disciplined under the Non-Academic Misconduct Policy.

Course materials created by instructors (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the instructor. These materials may NOT be reproduced, redistributed or copied without the explicit consent of the instructor. The posting of course materials to third party websites such as note-sharing sites without permission is prohibited. Sharing of extracts of these course materials with other students enrolled in the course at the same time may be allowed under fair dealing.

Recording of Lectures:

Recording of lectures is prohibited, except for audio recordings authorized as an accommodation by SAS or an audio recording for individual private study and only with the written permission of the instructor. Any unauthorized electronic or mechanical recording of lectures, their transcription, copying, or distribution, constitutes academic misconduct. See <https://www.ucalgary.ca/pubs/calendar/current/e-6.html>.

Important Dates:

Please check: <http://www.ucalgary.ca/pubs/calendar/current/academic-schedule.html>.

Student Organizations:

Faculty of Arts Students' Association (F.A.S.A.):
Economics Department Representative
E-mail: econrep@fasaucalgary.ca
Website: www.fasaucalgary.ca.

Society of Undergraduates in Economics: <https://www.ucalgarysue.com/>.

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students to succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career events such as Industry Night and information sessions, mentorship programs, and social events for members. They invite you to join by contacting SUE at societyofundergradsineconomics@gmail.com.

Faculty of Arts Program Advising and Student Information Resources:

- Have a question, but not sure where to start? The Arts Students' Centre is your information resource for everything in Arts! Drop in at SS102, call them at 403-220-3580, or email them at artsads@ucalgary.ca. You can also visit the Faculty of Arts website at <http://arts.ucalgary.ca/undergraduate>, which has detailed information on common academic concerns, including program planning and advice.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at 403-210-ROCK [7625] or visit them in the MacKimmie Tower.

Student Support and Resources:

- See <https://www.ucalgary.ca/registrar/registration/course-outlines> for information on campus mental health resources, the Student Ombuds Office, Student Success Centre, Safewalk, and Emergency Evacuation and Assembly.
- Online writing resources are available at <https://ucalgary.ca/student-services/student-success/writing-support>.

Notes:

1. Students are responsible for all assigned material, e.g., supplementary material posted on D2L, regardless of whether or not the material was covered in class.

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2022-04-15