

Economics 301(L01) (Intermediate Microeconomics I)

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Lecture Location: ST132
Lecture Days/Time: TR 12:30-13:45

Office: SS432
Office Hours: R 13:45-15:45

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Course Description

This course is the first of two courses designed to acquaint students with microeconomic theory. Microeconomics is concerned with a systematic understanding of the choices of individuals, firms, and organizations. It seeks to address the social consequences of the behaviour of economic agents. Economic theory provides the structure, or framework, for economic inquiry. For this reason, Econ 301 and 357 are the two most important courses that majors in economics will complete at the University of Calgary.

Course Objectives/Learning Outcomes

Economic theory has four elements that students are expected to master:

- (i) Students will become familiar with the foundation of economic reasoning. This involves a fundamental assumption—that individuals make choices based on their perception of their self-interest. The consequence of this assumption is that individual choices and actions depend on incentives. In turn, incentives depend on the interaction of preferences and constraints on time, income, technology, and ability. This framework explains how choices can be understood in terms of their marginal costs and benefits and how changing an individual's perception of either incremental costs or benefits will change behaviour.
- (ii) Students will master equilibrium analysis, which involves aggregating the choices of individuals and ensuring that the choices of individuals are consistent. Equilibrium analysis underlies how economists explain resource allocation in the economy.
- (iii) A key part of equilibrium analysis is comparative statics: asking how the equilibrium will change when conditions change.
- (iv) Students will understand the strengths, limitations, and value judgments that underlie the notion of efficiency. Efficiency is the yardstick by which economists measure the social desirability of resource allocation.

Prerequisites/corequisites

Students do not need to have any prior knowledge of calculus to complete this course. Please note, however, that calculus compatible notation will be used. This course makes extensive use of high school level algebra. Mathematics 30-1 or or Pure Mathematics 30 or equivalent; Economics 201 and 203 are prerequisites.

Required Textbook(s)

Required

Varian, H. 2014. *Intermediate Microeconomics* 9th edition. New York: Norton.

Recommended Textbook(s)

Levitt, S, and S. Dubner. 2005. *Freakonomics*. New York: Harper Collins Publishers.

Reserved Readings

N/A

Course Outline:**1) The Economist's View of the World and the Economic Way of Thinking**

Textbook Readings: Chapter 1.

- a) What is Economics? Scarcity
- b) Economic Model
- c) Demand and Supply
- d) Equilibrium
- e) Efficiency

2) Rational Choice

Textbook Readings: Chapters 2-5, 7-8, 10-13

- a) Budget Constraint, Preferences, Utility
- b) Optimal Choice
- c) Slutsky Equation

3) Theory of the Firm:

Textbook Readings: Chapters 6, 9, 15, 19-28

- a) Demand
- b) Characterization of Technological Possibilities
- c) Profit Maximization
- d) Sunk Costs, Opportunity Costs, and Capital
- e) Cost Minimization: Long and Short Run
- f) Applications
- g) Factor Markets

4) The Competitive Model

Textbook Readings: Chapters 14, 16

- a) Assumptions
- b) Short-Run Equilibrium
- c) Long-Run Equilibrium
- d) Economic Rent
- e) Comparative Statics

- f) Applications
- 5) The Use and Usefulness of Economics in the Determination of Public Policy
Textbook Readings: Chapters 32-38
 - a) Equity vs. Efficiency
 - b) The Role of the Government (An Introduction to Econ 357)

Discussion Section:

Students are expected to attend the weekly discussion tutorial. During the discussion the TA will discuss pre-assigned questions/material relevant to the course. The discussion tutorial is Thursday from 17:00-17:50 in ICT 116.

Course Requirements/Assessments:

Assignments	50%
Midterm (Thursday, February 4 th)	20%
Final (Registrar-scheduled)	<u>30%</u>
	100%

The final exam is cumulative. You should review your previous problem sets and mid-term exams as a starting point for your study.

The official grading system will be used. A letter grade will be awarded based on the numeric average of the assignments.

There will be a Registrar scheduled final examination which will be two hours in duration. Students must receive a passing grade on the final exam to pass the course. It will be held in a classroom. The final examination will be comprehensive.

Students who are unable to write the midterm because of an illness, family emergency or religious observance will have the midterm weight shifted to the final examination.

Tests and exams WILL involve multiple choice questions. Non-programmable calculators are permitted for all exams.

Students will be given at least one week to complete each assignment. Late assignments will never be accepted. In cases of documented illness or family emergency, extra weight will be given to the final examination.

Students seeking reappraisal of a piece of graded term work (term paper, essay, etc.) should discuss their work with the Instructor *within fifteen days* of the work being returned to the class.

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.

Notes:

1. All students must comply with the regulations published in the University Calendar concerning "Intellectual Honesty," "Examinations," etc.
2. Students should be aware of the academic regulations outlined in The University of Calgary Calendar.
3. Any student who fails to submit any assignment must notify the instructor in advance and produce a valid medical note, or other required documentation, in order to have the weighting transferred to the final examination.
4. Examinations will not be given prior to the scheduled date.
5. **Answers to the midterm test questions, the assignments, and the final exam questions must make use of equations and diagrams wherever possible. Numerical questions require numerical answers.**
6. **Students will not be given extra time to complete tests and exams.**
7. **The classroom is a No-cell-phone-zone. The use of cell phones for any purpose in class is prohibited. Computers may only be used for note-taking purposes.**
8. A student seeking reappraisal of a piece of graded term work (i.e. test, assignment) should discuss his/her work with the Instructor *within fifteen days* of the work being returned to the student. **At the end of the semester any uncollected course work will be discarded by the Instructor.**
9. Students will be responsible for all material listed on the course outline, regardless of whether or not the material has been covered in class, unless stated otherwise by the instructor.
10. Please note that the following types of emails will receive no response: emails not addressed to anyone in particular; anonymous emails; emails which do not specify the course and section in which you are registered; and, emails involving questions that are specifically addressed on the course outline.
11. It is the student's responsibility to request academic accommodations. If you are a student with a documented disability who may require academic accommodation and have not registered with the Disability Resource Centre, please contact their office at 403-220-8237. Students who have not registered with the Disability Resource Centre are not eligible for formal academic accommodation. You are also required to discuss your needs with your instructor no later than fourteen (14) days after the start of this course.
12. A deferred final exam will not be given except in cases of extreme personal emergencies. In the case where a deferred final exam is allowed by the Registrar's Office, it will not be given before the original final exam date. Deferred final examinations do not have to cover the same material or have the same format as the original final examination.

Grade Determination and Final Examination Details

Department of Economics Criteria for Letter Grades. Economics professors use the following criteria when assigning letter grades:

Grade	Grade Point Value	Description		Grade	Grade Point Value	Description
A+	4.00	Outstanding		C+	2.30	
A	4.00	Excellent-superior performance, showing-comprehensive understanding of subject matter		C	2.00	Satisfactory – basic understanding of the subject matter
A-	3.70			C-	1.70	Receipt of a grade point average of 1.70 may not be sufficient for promotion or graduation. (See individual undergraduate faculty regulations.)
B+	3.30			D+	1.00	
B	3.00	Good – clearly above average performance with knowledge of subject matter generally complete.		D	1.00	Minimal pass – marginal performance; generally insufficient preparation for subsequent courses in the same subject.
B-	2.70			F	0	Fail – unsatisfactory performance or failure to meet course requirements
				I	0	Incomplete – unsatisfactory (effective January 2007)

Grading Scale

A+	95 – 100	B	73 – 76	C-	60 – 62
A	85 – 94	B-	70 – 72	D+	56 – 59
A-	80 – 84	C+	67 – 69	D	50 – 55
B+	77 – 79	C	63 – 66	F	0 – 49

Tests and final exams are marked on a numerical (percentage) basis, then converted to letter grades. The course grade is then calculated using the weights indicated above.

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

There will be a Registrar scheduled final examination, held in a classroom, lasting 2 hours.

Tests and exams WILL involve multiple choice questions.

Non-programmable calculators are permitted for all exams.

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>

A student who feels that a piece of graded term work (e.g., term paper, essay, test) has been unfairly graded, may have the work re-graded as follows. The student shall discuss the work with the instructor within 15 days of being notified about the mark or of the item's return to the class; no reappraisal of term work is permitted after the 15 days. If not satisfied, the student shall immediately take the matter to the Head of the department offering the course, who will arrange for a reassessment of the work within the next 15 days. The reappraisal of term work may cause the grade to be raised, lowered, or to remain the same. If the student is not satisfied with the decision and wishes to appeal, the student shall address a letter of appeal to the Dean of the faculty offering the course within 15 days of the unfavourable decision. In the letter, the student must clearly and fully state the decision being appealed, the grounds for appeal, and the remedies being sought, along with any special circumstances that warrant an appeal of the reappraisal. The student should include as much written documentation as possible.

Plagiarism and Other Academic Misconduct

Intellectual honesty is the cornerstone of the development and acquisition of knowledge and requires that the contribution of others be acknowledged. Consequently, plagiarism or cheating on any assignment is regarded as an extremely serious academic offense. Plagiarism involves submitting or presenting work in a course as if it were the student's own work done expressly for that particular course when, in fact, it is not. Students should examine sections of the University Calendar that present a Statement of Intellectual Honesty and definitions and penalties associated with Plagiarism/Cheating/Other Academic Misconduct,

<http://www.ucalgayr.ca/pubs/calendar/current/k.html>

Academic Accommodation

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. For additional information on support services and accommodations for students with disabilities Visit www.ucalgary.ca/access/.

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 www.ucalgry.ca/policies/files/policies/student-accommodation-policy_0.pdf

Absence from a Quiz/Test/Exam

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. 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 www.ucalgary.ca/registrar/exams/deferred_final Under no circumstance will this be accommodated by the department.

Important Dates

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

Faculty of Arts Students' Association (F.A.S.A.):

Economics Department Representative

Office: SS 803, E-mail: econrep@fasaucalgary.ca Web: www.fasaucalgary.ca

Society of Undergraduates in Economics

www.ucalgarysue.com

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career partnerships with the Career Centre through hosting industry nights and information sessions, recognizing achievements in teaching, and organizing social events for members. They invite you to join by contacting sue@ucalgary.ca.

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 Library Block.
- Online writing resources are available at <http://www.ucalgary.ca/ssc/resources/writing-support>

Evacuation Assembly Point

In case of an emergency evacuation during class, students must gather at the designated assembly point nearest to the classroom. The list of assembly points is found at

www.ucalgary.ca/emergencyplan/assemblypoints

Please check this website and note the nearest assembly point for this course

Safewalk

The safewalk program provides volunteers to walk students safely to their destination anywhere on campus. This service is free and available 24 hrs/day, 365 days a year.

Call 403-220-5333