



Department of Economics Course Outline

		Term:	Winter 2005
Course:	Economics 357 [Microeconomics II]	Section:	02
Time:	TR 9:30-10:45	Place:	ST 132 (subject to change)
Instructor:	Dr. J. Church		
Office:	SS 442	Telephone:	220-6106
Office Hours:	TR 14:00-15:00	E-Mail:	jrchurch@ucalgary.ca

- i) Intertemporal Choice
 - ii) Asset Markets
 - iii) Uncertainty
 - iv) Risky Assets
3. Imperfect Competition and Game Theory
- i) Prisoner's Dilemma and Nash
 - ii) Cournot, Bertrand, Stackelberg and Collusion
4. General Equilibrium and the Fundamental Theorems of Welfare Economics
- i) Exchange Economy
 - ii) Production and General Equilibrium
5. Social Welfare and Economic Equity
- i) Social Welfare Functions
 - ii) Arrow's Impossibility Theorem
6. Market Failure I: Market Power
- i) Monopoly in General Equilibrium
7. Market Failure II: Externalities
- i) Pigouvian Taxes and Subsidies
 - ii) Property Rights
 - iii) The Coase Theorem
8. Market Failure III: Public Goods
- i) Optimality Condition
 - ii) Private Financing and the Free Rider Problem
9. Market Failure IV: Asymmetric Information
- i) Adverse Selection

- ii) Moral Hazard
- iii) Principles and Agents

Grade Determination and Final Examination Details:

Midterm Examination	20%
3 Assignments @ 10% each	30%
Final Examination	<u>50%</u>
	100%

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

Students should be aware of the importance of appropriate sequencing of their courses to meet all the graduation requirements, especially in the Honours program. Honours students should complete MATH 249 or 251, and MATH 211 no later than the second year. This is very important because these courses are prerequisites for ECON 387/389, which in turn are prerequisites for ECON 557/559. Also, STAT 213 should be completed no later than the third year because it is a prerequisite for ECON 315, which in turn is a prerequisite for ECON 419. We suggest that you consult the "Department of Economics Explicit Syllabus", which is available at <http://econ.ucalgary.ca/programs/undergrad/ES.htm> , or the University of Calgary Calendar. If you want help in designing your program, you should speak with a Student Advisor in the Department of Economics.

Blackboard: