



## Department of Economics Course Outline

		<b>Term:</b>	Fall 2004
<b>Course:</b>	Economics 301 [Intermediate Economics Theory- Microeconomics I]	<b>Section:</b>	04
<b>Time:</b>	TR 14:00-15:15	<b>Place:</b>	ST 130 (subject to change)
<b>Instructor:</b>	P. Ponsko		
<b>Office:</b>	SS 415	<b>Telephone:</b>	220-4099
<b>Office Hours:</b>	TR 15:30-16:30 (subject to change)	<b>E-mail:</b>	<a href="mailto:pponsko@ucalgary.ca">pponsko@ucalgary.ca</a>

### Textbook(s):

- Katz, M.L. and H.S. Rosen, *Microeconomics*, McGraw-Hill, 3rd edition [**Required text**]
- Copeland, D., *Study Guide to Accompany Microeconomics*, McGraw-Hill, 3rd edition [**Recommended**]

### Book(s) on Reserve:

- Bergstrom & Varian, *Workouts in Intermediate Microeconomics*, Norton, latest ed.
- Devlin & Gallini, *Problem Solving in Microeconomics*, Prentice Hall, 5th. Ed.
- Curtis Eaton, Diane Eaton, and Douglas Allen, *Microeconomics*, 6th ed., Prentice Hall
- Hal Varian, *Intermediate Microeconomics: A Modern Approach*", Norton & Co., latest ed. [**Highly Recommended**]

### Blackboard:

Students who are registered in this course can log on at <http://blackboard.ucalgary.ca/webapps/login>

### Course Outline:

This course will introduce students to microeconomics on a basic formal level. We will discuss assumptions and fundamental axioms underlying neoclassical economics theory and methodology of economic research. Then, consumer

theory will be developed during the course, including: budget constraint, optimal choice, demand function, comparative statics, income and substitution effects, labour supply. We will introduce measures of welfare and devote time to applications of consumer theory.

Next theory of the firm will be introduced. We will analyse the following phenomena: economic profits and opportunity costs, profit maximization, characterization of technological possibilities, cost minimization. Constructing supply function we will focus on applications, too.

Third major part of the course will be devoted to the theory of perfect competition. We will look at the demand and supply sides of market from the point of view of Pareto efficiency and consumer and producer surplus. Comparative statics and applications will be given special attention.

Finally the course will conclude with an introductory discussion of imperfectly competitive markets and the role of the government in the economy.

We want to include the following chapters as required reading list for students. (As mentioned, some topics may be added or deleted depending on time constraints.)

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| 1. | Introduction to Microeconomics   | Katz and Rosen, Chapter 1  |
| 2. | Consumer Theory (preferences, utility maximization, demand curves, price changes and consumer welfare) | Katz and Rosen, Chapters 2, 3, 4, 5 (if we have enough time)     |
| 3. | Producer Theory (profit maximization, production functions, costs in the short and long run)           | Katz and Rosen, Chapters 7, 8, 9                                 |
| 4. | The Theory of Perfect Competition  | Katz and Rosen, Chapters 10, 11                                  |
| 5. | An Introduction to Imperfectly Competitive Markets (monopoly)  | Katz and Rosen, Chapter 13 ( and part 15 if we have enough time) |

### **Grade Determination and Final Examination Details:**

Your grade will be based on one mid-term test (25%), one assignment (20%), class participation (5%), and a Registrar scheduled final examination (2 hours; 50%).

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. As a guide to determining standing, these letter grade equivalences will generally apply:

A+	97 ? 100	B+	82 - 86	C+	71 ? 73	D+	57 ? 60
A	90 - 96	B	77 ? 81	C	66 ? 70	D	50 ? 56
A-	87 ? 89	B-	74 ? 76	C-	61 ? 65	F	0 - 49

If, for some reason, the distribution of grades determined using the aforementioned conversion chart appears to be abnormal the instructor reserves the right to change the grade conversion chart if the instructor, *at the instructor's discretion*, feels it is necessary to more fairly represent student achievement.

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

Calculators WILL NOT be allowed during the writing of tests or final examinations.

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

Tests and exams WILL NOT involve multiple choice questions.

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### Notes:

- Students seeking reappraisal of a piece of graded term work (assignment, mid-term test) should discuss their work with the Instructor within two weeks of the work being returned to the class.
- 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 Calendar, and the brochure "Undergraduate Programs in Economics." If you still need help you should speak with a Student Advisor in the Economics Department.
- Make-up mid-term tests/assignments and deferred mid-term tests/assignments will not be given. In cases of documented illness, documented family emergency, or documented religious observance, extra weight will be given to the final examination.
- Mid-term tests and the final examination will not be given before the indicated dates.

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PP:dm

2004-08-13