

Economics 301(L01) (Intermediate Microeconomics I)

Instructor:	J. Church	Lecture Location:	ST 131
Phone:	403-220-6106	Lecture Days/Time:	MWF 12:00-12:50
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Office Hours:	MW 13:00-14:00	(Fall 2017)	

Course Description:

This course is the first of a pair of 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. Students do not need to have an intimate, or any, 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.

Economic theory provides the structure, or framework, for economic inquiry. For this reason Econ 301 and 357 are the two most important courses majors in economics complete at the University of Calgary. These courses provide the most important element of the three found in a student's economic toolbox (the other two are econometrics and knowledge of both current economies and economic history).

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 incremental or 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 over the choices of individuals and insuring that the choices of individuals are consistent—that what individuals plan to do they are in fact able to do. 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.

Course Outline:

- (1) The Economist's View of the World and the Economic Way of Thinking
 - (a) What is Economics?
 - (i) Scarcity
 - (b) Methodology
 - (c) Pareto Optimality and Gains from Trade
 - (d) The Role of Prices and Markets: Voluntary Trade
 - (e) Institutional Foundations of a Market Economy
 - (f) Restrictions on Voluntary Trade
 - (g) Economics is about Institutional Choice
 - (h) Success of Market Economies
- (2) Rational Choice
 - (a) Preference
 - (b) Opportunities
 - (c) Optimal Choice
 - (d) Comparative Statics
 - (e) Applications
- (3) Theory of the Firm
 - (a) Characterization of Technological Possibilities
 - (b) Profit Maximization
 - (c) Sunk Costs, Opportunity Costs, and Capital
 - (d) Cost Minimization: Long and Short Run
 - (e) Applications
- (4) The Competitive Model
 - (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
 - (i) Equity vs. Efficiency
 - (ii) The Role of the Government (An Introduction to Econ 357!)

Prerequisites/corequisites:

Math 30-1 or Pure Math 30; Econ 201 and 203.

Required Textbook(s):

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

Recommended Textbook(s):

Roberts, R. 2001. *The Invisible Heart*. Cambridge: MIT Press.

Required and recommended readings will be drawn from the textbook, from material on reserve in the MacKimmie Library and from the periodical collection in the MacKimmie Library.

Books on Reserve:

- Bernstein, W. J. 2004. *The Birth of Plenty: How the Prosperity of the Modern World was Created*. New York: McGraw-Hill.
- Bernstein, W. J. 2008. *A Splendid Exchange: How Trade Shaped the World*. New York: Atlantic Monthly Press.
- de Soto, H. 2000. *The Mystery of Capital*. New York: Basic Books.
- Friedman, D. 1996. *Hidden Order: The Economics of Everyday Life*. New York: Harper Business.
- Harford, T. 2006. *The Undercover Economist*. Oxford: Oxford University Press.
- Katz, M., and H. Rosen. 1998. *Microeconomics*. 3rd. Edition. Burr Ridge, Illinois: IRWIN.
- Landsburg, S. 1993. *The Armchair Economist*. Toronto: Maxwell MacMillan.
- Litan, R. E. 2014. *Trillion Dollar Economists*. Hoboken, N.J.: Wiley and Sons.
- Miller, R. L., D. K. Benjamin, and D. C. North. 2001. *The Economics of Public Issues*. 12th ed. New York: Addison Wesley.
- Mitchell, M. and P. Boettke. 2017. *Applied Mainline Economics*. Arlington: Mercatus Center.
- Prasch, R. 2008. *How Markets Work*. Northampton, Mass.: Edward Elgar.
- Schelling, T. 1984. *Choice and Consequence*. Cambridge: Harvard University Press.
- Smith, A. 1976. *The Wealth of Nations*. Chicago: University of Chicago Press.
- Watson, W. 2016. *The Inequality Trap: Fighting Capitalism Instead of Poverty*. University of Toronto Press: Toronto.
- Yergin, D., and J. Stanislaw. 1998. *The Commanding Heights*. New York: Simon & Schuster.

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.

Discussion Section:

Students are expected to attend the weekly discussion section. During the discussion section the TA will discuss pre-assigned questions/material relevant to the course. The discussion section is Wednesday from 15:00-15:50 in EDC 388.

Grade Determination and Final Examination Details:

MIDTERM EXAMS 2@15%	30%
FINAL EXAMINATION	40%
PROBLEM SETS 3@10%	30%
	<hr/>
	100%

The official grading system will be used. See <http://www.ucalgary.ca/pubs/calendar/current/f-1-1.html>. Students must receive a passing grade on the final exam to pass the course.

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.

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.

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

Tests and exams will not involve multiple choice questions. Non-programmable calculators WILL NOT be allowed during the writing of tests or final examinations.

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 and Intellectual Honesty:

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>

Statement of Intellectual Dishonesty, see Calendar K.4

<http://www.ucalgary.ca/pubs/calendar/current/k-4.html>

Plagiarism and Other Academic Misconduct, , see Calendar K.5

<http://www.ucalgary.ca/pubs/calendar/current/k-5.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 <http://www.ucalgary.ca/policies/files/policies/student-accommodation-policy.pdf>

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

Office: SS 803, E-mail: econrep@fasaucalgary.ca and Web: 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 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 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 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 assembly point for this classroom is Professional Facilities—Food Court.

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.**

JRC

2017-08-13