

Economics 301(L03) (Intermediate Economic Theory – Microeconomics 1)

Instructor: Peter Tracey
Phone: 403-220-2693
Email: tracey@ucalgary.ca

Lecture Location: ICT 114
Lecture Days/Time: MWF 14:00 – 14:50

Office: SS 346
Office Hours: W 11:00 – 11:50

Fall 2016

Course Objectives/Learning Outcomes:

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 of the 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).

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. .../2

- (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!)

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 Monday from 17:00-17:50 in ICT 114.

Prerequisites: Economics 201 and 203

Required Textbook(s): Hal Varian, *Intermediate Microeconomics*, Ninth Edition, Norton Publishers, 2014.

Recommended Textbook(s): None

Reserved Readings: None

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.

Course Requirements/Assessments:

Your course grade will be computed using two methods:

Method 1 -	Midterm Test	20%	Monday, October 24, 2016
	Assignment 1	15%	Friday, October 14, 2016
	Assignment 2	15%	Monday, November 7, 2016
	Final Exam	50%	Date set by the Registrar's Office
Method 2 -	Assignment 1	15%	Friday, October 14, 2016
	Assignment 2	15%	Monday, November 7, 2016
	Final Exam	70%	Date set by Registrar's Office

You will receive the higher of the grades computed using these two methods. In order to qualify for Method 2 of the Grading System students must write the Midterm exam. Students should be aware that no "make-up" midterms will be given. Any student, who finds it necessary to miss the midterm exam must notify the instructor in advance and produce a valid medical certificate, or other required documentation in order to have the weighting transferred to the 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+	97 – 100	B	79 - 83	C-	60 – 65
A	92 – 96	B-	76 - 78	D+	55 – 59
A-	89 – 91	C+	73 - 75	D	50 – 54
B+	84 - 88	C	66 - 72	F	0 – 49

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. It will last for 2 hours. Non-programmable calculators **WILL** be allowed during the writing of the test and the final examination.

Tests and exams **Will Not** contain multiple choice questions. They will contain problems and may also contain essay style questions.

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 7 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 7 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 7 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 7 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.ucalgary.ca/pubs/calendar/current/k-2.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>

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.

Notes:

1. Students should be aware of the academic regulations outlined in The University of Calgary Calendar.
2. Examinations will not be given prior to the scheduled date.
3. **Students will not be given extra time to complete the midterm test and the final exam.**
4. **If numerical questions appear on the midterm test and the final exam, they require numerical answers.**
5. **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.**
6. **The test and the final exam must be written in ink. The assignment must be typed or written in ink. Writing in pencil is not allowed on the assignment, the midterm test, and the final exam.**
7. Students will be responsible for all material covered in class and in the textbook, unless the instructor states otherwise.
8. Please note that the following types of emails will receive no response: emails not addressed to anyone in particular; emails where the recipient's name is not spelled correctly; 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.

Important Dates

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

Students' Union Vice-President Academic:

Phone: 403-220-3911

E-mail suypaca@ucalgary.ca

Students' Union Faculty Representative (Arts)

Phone: 403-220-3913 Office: MSC 251

E-mail arts1@su.ucalgary.ca arts2@su.ucalgary.ca, arts3@su.ucalgary.ca, arts4@su.ucalgary.ca

Society of Undergraduates in Economics (S.U.E.):

www.ucalgary.ca/sue

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.

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

* * * * *