

## Economics 301(L01) (Microeconomic Theory I)

Instructor:	Victor Song, Ph.D.	Lecture Location:	ST130
Phone:	403-220 5757	Lecture Days/Time:	MW 12:00 to 14:50
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Office:	SS 405		
Office Hours:	TBA		Spring 2015

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### Textbook(s):

*Intermediate Microeconomics*, 9<sup>th</sup> Edition, Hal Varian, Norton, 2014.

### Book(s) on Reserve:

Eaton, Eaton & Allen, *Microeconomics: Theory with Applications*, 8th edition, Pearson publishers, 2011.

Besanko, D., and Braeutigan, R.R., *Microeconomics*, 5th edition, Wiley & Sons, New Jersey, 2014.

Pindyck, R.S. And D.L. Rubinfeld, *Microeconomics*, 7th edition, Pearson: Prentice-Hall Inc., New Jersey, 2010.

Michael Baye, *Managerial Economics & Business Strategy*, 7th edition, McGraw Hill, 2009.

C. Snyder & W. Nicolson, *Microeconomic Theory: Basic Principles & Extensions*, 10th edition, Thomson South Western, 2007.

### Outside Readings:

A detailed reading list will be handed out on the first day of 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. The default is your University of Calgary e-mail address.

### Course Outline:

This course is the first of two courses (ECON 357 is the second) designed to cover the basics of microeconomics. We will study the behavior of consumers and firms, and analyze the equilibria occurring when the two groups interact.

You will have seen many of the ideas before in your introductory economics courses. However, the treatment here will be more technical. Calculus is not required for this course and will not be used, but high school level algebra is used extensively. In particular, you must be able to solve a system of two equations and two unknowns.

Microeconomic theory is very important to the study of all economics and you will acquire tools in this course you will use throughout your career in economics. I have a responsibility to you, and to the Department of Economics, to ensure that you understand the basics thoroughly. As a result, it is my expectation that by the end of the course, all students can solve for a consumer's demand function and draw a competitive firm's supply curve. Those who cannot demonstrate these abilities by the end of the course should not expect to pass. The course will follow the textbook. However, some materials may be added or removed based on time constraints.

### **Part I: Consumer Behavior**

Chapter 1 - Review and Introductory Material  
 Chapter 2, 3 - Budget and Preferences  
 Chapter 4, 5, 6 - Utility, Choices and Demand  
 Chapter 8, 9 - Income Effect and Buying & Selling  
 Chapter 14 - Consumer Surplus

### **Part II: Firm Behavior**

Chapter 19 - Technology  
 Chapter 20, 21 - Profit Maximization and Cost Minimization  
 Chapter 22 - Cost Curves

### **Part III: Supply and Demand**

Chapter 15, 16, 23 - Firm Supply and Market Demand  
 Chapter 24 - Perfectly Competitive Markets

### **Part IV: Examples of Market Failures**

Chapter 25 - Market Power and Monopoly  
 Chapter 35 - Externalities

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

Assignments	3 x 5%	15%	
Midterm Exam	June 8	25%	1.5 hours
Final Exam	Scheduled by the Registrar	50%	2 hours
Participation		10%	

The aim of the course is to develop your ability to solve problems. As such, the exams will consist mainly of problems. You will not be expected to memorize definitions. However, you will need to demonstrate an understanding of the definitions covered in lecture.

## Assignments

Assignment 1, 2 and 3 will focus on Consumer Behavior, Firm Behavior and Perfectly Competitive Equilibrium, respectively. You will have at least one week to complete each of the three assignments. Each assignment is due at the beginning of the lecture on the due date. You are welcome to work in small groups ( 3 or 4 students) and to hand in a group assignment. All students in the group will receive the same mark for that assignment. **No late assignments will be accepted.**

## Exams

The midterm exam will **ONLY** cover the materials on consumer behavior (i.e. Part I of this course) but the final exam will **FULLY** cover all the materials taught in class (i.e. Part I, II and III). **No deferred midterms will be given.** In case of **documented** illness or family emergency, the extra weight will be shifted to the final examination. The instructor should be notified in advance whenever possible if a student will be unable to write a midterm. In any case, documentation must be provided as soon as possible (within a day or so of the missed midterm).

Assignments and exams will be marked on a numerical (percentage) basis. At the conclusion of the course, a final mark will be calculated using the weights above. This final mark will be converted to a letter grade.

**Class participation is required.** Required class participation will take the form of participation in forums. It will make up 10% of your mark. In addition, the class format will introduce opportunities for students to participate in class. This type of in-class participation may be used by the instructor to increase (never to decrease) your grade at his discretion.

## Tutorials

Students are expected to attend a weekly tutorial section. During the tutorial section the TA will discuss pre-assigned questions/material relevant to the course. The problems will not be graded but they will offer you the opportunity to test your understanding of the material covered to that point in the course.

## Grade Determination and Final Examination Details:

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 apply:

A+	95 – 100	B	73 – 76	C-	60 – 62
A	88 – 94	B-	70 – 72	D+	56 – 59
A-	80 – 87	C+	67 – 69	D	50 – 55
B+	77 – 79	C	63 – 66	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.

Non-programmable calculators **WILL** be allowed during the writing of tests or final examinations. But cell-phones and a cheat-sheet are **strictly forbidden** during the writing of examinations.

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

Tests and exams WILL NOT involve multiple choice questions.

**Notes:**

- All students must comply with the regulations published in the University Calendar concerning “Intellectual Honesty,” “Examinations,” etc.
- Answers to the midterm test, the assignments, and the final exam questions must make use of equations and diagrams wherever possible. Numerical questions require numerical answers.
- 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 the instructor notifies the class that the material will not be covered.
- Students will not be given extra time to complete tests and exams.
- 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.
- Students seeking reappraisal of a piece of graded term work (term paper, essay, etc.) should discuss their work with the Instructor *within seven days* of the work being returned to the class.
- 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 seven (7) days after the start of this course.
- 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. Documentation MUST be provided.

Students’ Union Vice-President Academic:

Stephan Guscott  
Phone: 403-220-3911  
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Students’ Union Faculty Representative (Arts)

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

[www.ucalgary.ca/sue](http://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. They invite you to join by contacting [sue@ucalgary.ca](mailto: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](mailto: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>

Safewalk/Campus Security: 403 220 5333

Emergency Assembly Point: Professional Faculties Food Court

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