

Economics 301(L01) (Intermediate Economic Theory: Microeconomics I)

Instructor: Wojciech (Victor) Fulmyk Lecture Location: Science A 129
Phone: (226) 700-9248 Lecture Days/Time: MW 12:00 - 14:45
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Office: Social Science 415
Office Hours: M 16:00 – 16:50
W 10:30 – 11:20 or by appointment (Spring 2019)

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:**I Introduction to Microeconomic Analysis****Ch 1**

- Intro; The Economist's View of the World and the Economic Way of Thinking

II Individual (Rational) Choice**Ch 2-8, 14**

- Preferences
- Opportunities
- Optimal Choice
- Comparative Statics
- Applications

III Theory of the Firm**Ch 19-23**

- Characterization of Technological Possibilities
- Profit Maximization
- Sunk Costs, Opportunity Costs, and Capital
- Cost Minimization: Long and Short Run
- Applications

IV The Competitive Model**Ch 15, 16, 24**

- Assumptions
- Short and Long Run Equilibrium
- Economic Rent
- Comparative Statics
- Applications

V The Use and Usefulness of Economics in the Determination of Public Policy

- Equity vs. Efficiency
- Market Failures– introduction to Econ 357

Prerequisites/corequisites:

Mathematics 30-1 or Pure Mathematics 30 or equivalent; Economics 201 and 203.

Required Textbook(s):

Varian, Hal. 2014. *Intermediate Microeconomics: A Modern Approach*. 9th ed. New York: Norton.

Books on Reserve:

None

Optional Books:

The following books may improve understanding of the course material and/or provide the reader with additional economic intuition. The instructor may draw material from these books from time to time; when that is the case, the drawn material will be presented in a self-contained fashion. As a result, these books are not required, but students looking for additional resources are encouraged to read them. Some (if not all) of these books are available at the library, either in an electronic format, or as a printed copy.

Alston, L., T. Eggertsson, and D. C. North, ed. 1996. *Empirical Studies in Institutional Change*. New York: Cambridge University Press.

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.
 Levitt, S, and S. Dubner. 2005. *Freakonomics*. New York: HarperCollins Publishers.
 Lewis, M. 2004. *Moneyball: The Art of Winning an Unfair Game*. New York: Norton.
 Litan, R. E. 2014. *Trillion Dollar Economists*. Hoboken, N.J.: Wiley and Sons.
 Mankiw, G. et al. 2014. *Principles of Microeconomics*. 6th ed. Toronto: Thomson Nelson.
 Miller, R. L., D. K. Benjamin, and D. C. North. 2001. *The Economics of Public Issues*. 12th ed. New York: Addison Wesley.
 Prasch, R. 2008. *How Markets Work*. Northampton, Mass.: Edward Elgar.
 Roberts, R. 2001. *The Invisible Heart*. Cambridge: MIT Press.
 Schelling, T. 1984. *Choice and Consequence*. Cambridge: Harvard University Press.
 Smith, A. 1976. *The Wealth of Nations*. Chicago: University of Chicago Press.
 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.

Tutorials:

Students are expected to attend the weekly tutorial section to which they have been assigned. During the tutorials, the TA will discuss pre-assigned questions and additional material relevant to the course that is not covered in lectures. Tutorials for this course will be held MW at 15:00 – 15:50 in EDC 280.

Grade Determination and Final Examination Details:

2 Assignments	10% each	20 %	Due on May 27 and June 12
			Assignments are due at the beginning of class!
Midterm Exam		30%	May 29
Final exam		50%	TBD: scheduled by the Registrar
		100%	

The official grading system will be used. See <http://www.ucalgary.ca/pubs/calendar/current/f-1-1.html>.

If a student's letter grade on the final exam exceeds their midterm(s) letter grade, the weight of the midterm(s) is (are) transferred to the final exam. The student must have written the midterm(s) or provided supporting documentation for the absence(s) such as a medical note or statutory declaration.

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 the instructor's 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.

Exams **WILL NOT** involve multiple choice questions. Non-programmable, non-graphing calculators **WILL** be allowed during the writing of the midterm and final examinations.

The midterm exam will be held on **Wednesday, May 29**, during class time. Depending on the number of students in the course, the midterm exam may be held at a different location than our assigned room (Science A 129). The venue for the midterm exam will be confirmed 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 Accommodations:

The student accommodation policy can be found at: ucalgary.ca/access/accommodations/policy.

Students needing an accommodation because of a disability or medical condition should communicate this need to Student Accessibility Services in accordance with the Procedure for Accommodations for Students with Disabilities ucalgary.ca/policies/files/policies/student-accommodation-policy.

Students needing an Accommodation based on a Protected Ground other than disability should communicate this need, preferably in writing, to the course instructor.

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 events such as Industry Night and information sessions, mentorship programs, and 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 the Social Science - 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.**

Freedom of Information and Protection of Privacy (FOIP) Act:

Personal information is collected in accordance with FOIP. For more information, see <http://www.ucalgary.ca/legalservices/foip/foip-hia>.

Internet and Electronic Communication Device information:

The use of cell phones for any purpose in class is prohibited. Computers and tablets may be used for note-taking only.

Notes:

1. The assignments are to be submitted **at the beginning of class** on the due date. In exceptional cases, they may be handed in before that date to the instructor personally. Answers to assignments will be either discussed in class shortly after each assignment falls due or posted on the D2L. For this reason, late assignments will be given a score of zero, although you may still wish to have the work corrected and returned without a score being recorded. Please do not slide assignment under my office door – they will not be marked. Please also do not email assignments to me – they will not be marked.
2. Students are encouraged to discuss the assignments with their classmates, but each student must write up their own answers. Copying or misrepresenting someone else's work as your own is a serious offence, which will not be tolerated. Your attention is directed to the "Statement of Intellectual Honesty" in the 2018-2019 Academic Calendar.
3. 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.
4. **If you wish to contact me, I prefer that you do so by email.**