

Economics 357(L01) Intermediate Economic Theory –  
Microeconomics II

Instructor:	Dr. L. Vojtassak	Lecture Location:	AD 142
Phone:	403 220 6550	Lecture Days/Time:	TR 12:30 – 13:45
Email:	<a href="mailto:lvojtass@ucalgary.ca">lvojtass@ucalgary.ca</a>		
Office:	SS 447		
Office Hours:	T 14:00 – 14:50	Fall 2015	

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**Textbook(s):**

Hal Varian, *Intermediate Microeconomics: A Modern Approach*, 9th edition, Norton, 2014.

**Book(s) on Reserve:** 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> using or 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 Outline:**

This course extends and builds upon the tools and concepts developed in Economics 301 to investigate topics such as the connections between markets (general equilibrium), the implications of market power and market failure and decision-making under uncertainty.

One goal of this course is to have you begin to think and work like an economist. Accordingly, you will be expected to use basic mathematics and graphical analysis, and the calculus developed in Mathematics 249 or 251, which is a prerequisite for this course. In particular, you will be expected to be familiar with the meaning of mathematical functions, understanding and using simple linear equations, solving two linear equations for two unknowns, and using basic techniques of univariate calculus. You may need to review this material.

**Tutorials:**

When you registered for this course you were enrolled in a tutorial session. I will pre-assign problems/questions/materials for you to consider and to discuss with your classmates and a teaching assistant during these tutorial sessions. 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. You will also have the opportunity to discuss with the TA the material we have discussed in class and which you may not yet fully grasp. Students are expected to attend a weekly tutorial section.

**Timetable**

<b>I Introduction</b>		<b>Chapter</b>
September 8 – 14, 2015	Objective and Overview A Methodology Pareto Optimality and Gains from Trade	16
<b>II Topics in the Theory of Consumer</b>		
Sept 15 – October 5, 2015	Review the Theory of Demand Intertemporal Choice Asset Markets Uncertainty Risky Assets	10 11 12 13
<b>III General Equilibrium and the Fundamental Theorems of Welfare Economics</b>		
October 6 – 19, 2015	Exchange Economy Production and General Equilibrium Social Welfare and Economic Equity	32 33 34
October 20, 2015	MIDTERM	
<b>IV Market Failure I: Market Power</b>		
Oct 22 – November 10, 2015	Monopoly and Monopoly Behaviour Imperfect Competition and Game Theory	25-26 28-30
November 12, 2015	Reading week, no lecture	
<b>Market Failure II: Externalities</b>		
November 17 – 23, 2015	Pigouvian taxes and Subsidies Property Rights, The Coase Theorem	35
<b>Market Failure III: Public Goods</b>		
November 24 – 30, 2015	Optimality Condition Private Financing and Free Rider Problem	37
<b>Market Failure IV: Asymmetric Information</b>		
December 1 – 8, 2015	Adverse Selection, Moral Hazard	38

**Grade Determination and Final Examination Details:**

Midterm Examination		<b>25%</b>	October 20, 2015 Session in class
3 Assignments	10% each	<b>30%</b>	Due dates: Thursday October 8, 2015 Tuesday November 10, 2015 Tuesday December 1, 2015 All assignments are due at the beginning of class!
Final Examination		<u><b>45%</b></u>	
		<b>100%</b>	

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. The following letter grade equivalences will apply:

A+	95 – 100	B	73 – 76	C-	60 – 62
A	85 – 94	B-	70 – 72	D+	56 – 59
A-	80 – 84	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.

Students seeking reappraisal of a piece of graded term work (including the midterm exams) should discuss their work with the instructor *within fifteen (15) days* of it being returned to class. Re-graded work stands an equal chance of having a higher or lower score assigned. Any term work, which is not returned during regular class time, may be collected from the instructor during office hours.

**Assignments**

1. Assignments are to be submitted at the beginning of class on the date due. 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. Assignments are intended to be challenging. Students are encouraged to discuss the assignments with their classmates, but each must write up his or her 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 2015-2016 Calendar. Taking credit for someone else's work is something for which I show zero tolerance.

**Examinations:**

1. Test and exams will not consist of the multiple-choice questions.
2. The midterm examination will be held in classroom during regular lecture hours and will last 75 minutes.
3. There will be a Registrar scheduled final examination, lasting 2 hours. It will be a comprehensive examination of all-material covered in the course.
4. The exam must be completed during the specified time. Extra time will not be given for any reason.
5. All examinations will be closed-book.
6. Answers to the midterm test, the assignment and the final exam questions must make use of equations and diagrams wherever possible. Numerical questions require numerical answers.
7. Deferred examinations will not be given except in the case of the Final Examination, where this possibility is provided for in the university's Academic Regulations.
8. Students should be aware that no "make-up" midterms would be given. Any student who finds it necessary to miss the midterm must notify the instructor in advance and produce a valid medical certificate or other required documentation in order to have the weighting adjusted. This adjustment will result in the final exam counting for 70% of the final grade and the assignments counting for 30% of the final grade.
9. Examinations will not be given before the indicated examination date. For further information see the 2015-2016 Calendar.
10. The use of a simple calculator during test and examination is permitted. The use of graphing calculators, cell phones, and computers is not permitted.

**Notes:**

1. Students should be aware of the academic regulations outlined in The University of Calgary Calendar.
2. 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 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 fourteen (14) days after the start of this course.
3. **The use of cell phones for any purpose in class is prohibited. Computers may be used for note-taking purposes only.**
4. 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.
5. 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 in which the sender has not identified which course and section he/she is taking; and, emails involving questions that are specifically addressed on the course outline.

Students' Union Vice-President Academic:

Stephan Guscott  
Phone: 403-220-3911  
E-mail [suvpaca@ucalgary.ca](mailto:suvpaca@ucalgary.ca)

Students' Union Faculty Representative (Arts)

Phone: 403-220-3913 Office: MSC 251  
E-mail [arts1@su.ucalgary.ca](mailto:arts1@su.ucalgary.ca), [arts2@su.ucalgary.ca](mailto:arts2@su.ucalgary.ca), [arts3@su.ucalgary.ca](mailto:arts3@su.ucalgary.ca), [arts4@su.ucalgary.ca](mailto:arts4@su.ucalgary.ca)

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: Social Sciences Food Court

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