



# Department of Economics

## Faculty of Arts

### Economics 357(L01) Intermediate Economic Theory - Microeconomics II

Instructor:	Marian Miles	Lecture Location:	ST 131
Phone:	403-220-7893	Lecture Days/Time:	TR 12:30 – 1:45 pm
Email:	mamiles@ucalgary.ca		
Office:	SS 350		
Office Hours:	T 11 – 11:50	(Winter 2017)	

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#### **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. This course will extend and build on the theory of the consumer, the theory of the firm, and the theory of perfect competition introduced in Econ 301. The theory of general competitive equilibrium will be studied intensively. Particular attention will be devoted to its efficiency and welfare properties. Thereafter, instances of market failure will be addressed: those covered will be imperfect competition, externalities, public goods, and informational asymmetries.

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).

Students are reminded that this course has a calculus prerequisite and calculus compatible notation will be used. This course makes extensive use of high school level algebra.

#### **Course Objectives/Learning Outcomes**

Economic theory has four elements that students are expected to master:

- 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.
- 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.
- A key part of equilibrium analysis is comparative statics: asking how the equilibrium will change when conditions change.
- 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.

**Prerequisites/corequisites** Economics 301 and one of Mathematics 249, 251, 265 or 281.

**Required Textbook:** Hal Varian, *Intermediate Microeconomics: A Modern Approach*, 9<sup>th</sup> edition, Norton, 2014.

### Reserved Readings

Hal Varian, *Intermediate Microeconomics: A Modern Approach*, 9<sup>th</sup> edition, Norton, 2014.  
Besanko & Braeutigam, *Microeconomics*, 5<sup>th</sup> edition, Wiley, 2013.

### Course Requirements/Assessments:

Midterm Examination		20%	March 7, 2017 Session in class
4 Assignments	7.5% each	30%	Due dates: February 10, March 3 March 27, April 11, 2017
Final Examination	<hr/> <b>50%</b>		
	<hr/> <b>100%</b>		

The format and due dates of the assignments and midterms will be discussed during the first week of lectures. Late assignments will not be accepted. Students will be given at least one week to complete each assignment. In cases of documented illness, family emergency, religious observance, or a university--sanctioned event, extra weight will be given to the final examination.

**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:** When you registered for this course you were enrolled in a tutorial session, which you are expected to attend. Tutorials are on Thursday, 14:00 – 15:50 in ENG 224. During the discussion section the TA will discuss pre --assigned questions/material relevant to 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.

### 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+	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.

The midterm will be written during class time on March 7.

There will be a Registrar scheduled final examination, held in a classroom, lasting 2 hours. Non-programmable calculators **WILL** be allowed during the writing of tests or final examinations. **No cellphones, graphing calculators or any computing devices are allowed during the writing of tests or final exams.**

Tests and exams **WILL NOT** involve multiple choice questions. All examinations will be closed-book.

Contacting the Instructor: If you are unable to meet me during the scheduled office hours, please email me to set an appointment at another time. You are welcome to write me via e-mail to ask questions about the course materials.

Please note that the following types of emails will receive **no response**: emails not addressed to anyone in particular; 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.

### 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 15 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 15 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 15 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 15 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/](http://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](http://www.ucalgary.ca/registrar/exams/deferred_final) Under no circumstance will this be accommodated by the department.

### **Important Dates**

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

**Faculty of Arts Students' Association (F.A.S.A.):**

Economics Department Representative

Office: SS 803, E-mail: [econrep@fasaucalgary.ca](mailto:econrep@fasaucalgary.ca) Web: [www.fasaucalgary.ca](http://www.fasaucalgary.ca)

**Society of Undergraduates in Economics**

[www.ucalgarysue.com](http://www.ucalgarysue.com)

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](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>

**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 <https://www.ucalgary.ca/emergencyplan/home/evacuation-assembly-points>

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**

MM/JW