INTERMEDIATE MICROECONOMICS I
ECONOMICS EC2260A-001/002
Department of Economics
Western University

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Office Hours: Tue 4-6 pm in SSC 4056

Classroom meeting times & location:
Section 001: Mon 2:30 – 3:30, Wed 2:30 – 4:30 in WL 258
Section 002: Mon 11:30 – 1:30, Wed 11:30 – 12:30 in SEB 2200

Course website: https://owl.uwo.ca/portal
Undergraduate inquiries: 519-661-3507 SSC Room 4075 or econugrd@uwo.ca

Registration

You are responsible for ensuring you are registered in the correct courses. If you are not registered in a course, the Department will not release any of your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at https://studentservices.uwo.ca/secure/index.cfm. If you notice a problem, please contact your home Faculty Academic Counsellor immediately.

Prerequisite Note

The prerequisites for this course are Economics 1021A/B and 1022A/B, or Economics 1020 or 2001A/B; and Calculus 1000A/B (with a mark no less than 60%) or Calculus 1100A/B (with a mark no less than 60%), and some knowledge of analytic geometry and linear algebra. The antirequisite for this course is Economics 2150A/B.

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken an anti-requisite course. Lack of pre-requisites may not be used as a basis for appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment to your fees. This decision cannot be appealed.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the end of the add/drop period. Your prompt attention to this matter will not only help protect your academic record, but will ensure that spaces become available for students who require the course in question for graduation.

Course Objectives

The aim of this course is to study the decisions of rational agents (consumers and firms) in competitive markets.
The first part of the course will cover consumer choice. In particular, we will study how economists model consumer tastes and budget constraints, and describe how consumers decide which goods to purchase. We will then determine how consumer demand depends on such variables as prices and income. Finally, we will examine the problem of consumer choice under uncertainty, and describe how to measure consumer welfare.

The second part of the course will deal with competitive firms’ behaviour. We will describe a firm’s technological constraints, and how firms maximize their profit subject to these constraints. We will examine different notions of a firm’s costs. Finally, we will determine how a competitive firm makes its supply decision.

The third part of the course brings together the material of the first two parts to study market equilibrium. We will describe how to derive market demand from individual consumers’ demands, and industry supply from individual firms’ supplies. Then we will introduce the notion of market equilibrium and study how it is affected by taxation.

**Course Learning Outcomes**

As a result of taking this course, the students will learn some of the most fundamental concepts in economics, such as the concepts of utility function, budget constraint, demand, production function, supply, cost function, market equilibrium, and consumer and producer surplus. The students will be able to apply these concepts to think about how consumers and firms make their decisions, and how these decisions are affected by consumer tastes and technological constraints. The students will also learn how to evaluate consumer and firm welfare and analyze the effect of government policies on these variables.

**Textbooks**

The required textbook for this course is:


This textbook has a workbook, which is recommended (but not required) for this course:


Another textbook that may be helpful (but is not required) is:


**Assessment**

Your mark for this course will be based on:

1. **Two midterm exams**, each worth 25% of your mark. Midterm 1 will take place on Thursday, October 9. Midterm 2 will take place on Thursday, November 6.
2. **Final exam**, to be scheduled by the Registrar, worth 40% of your mark.
3. **Five problem sets**, equally weighted and worth 10% in total. The problem set with the worst score will not count for the calculation of the final mark.
The problem sets will be posted in advance on the course website. They will be due on the following dates in class:
- Problem set 1: Wednesday, September 24;
- Problem set 2: Wednesday, October 1;
- Problem set 3: Wednesday, October 22;
- Problem set 4: Wednesday, November 12;
- Problem set 5: Wednesday, November 26.

Late problem sets will not be accepted.

You can consult with your classmates while working on the problem sets. However, each of you should submit your own set of answers.

**List of Topics**

1. **Consumer Choice** (Sep 8 – Oct 20)
   1.1. Preferences (chapter 3)
   1.2. Utility (chapter 4)
   1.3. Budget constraint (chapter 2)
   1.4. Consumer choice (chapter 5)
   1.5. Consumer demand (chapter 6)
   1.6. Income and substitution effects (chapter 8)
   1.7. Revealed preference (chapter 7)
   1.8. Choice under uncertainty (chapter 12)
   1.9. Consumer surplus (chapter 14)

2. **Behaviour of a Competitive Firm** (Oct 22 – Nov 12)
   2.1. Technological constraints (chapter 19)
   2.2. Profit maximization (chapter 20)
   2.3. Cost minimization (chapter 21)
   2.4. Cost curves (chapter 22)
   2.5. Firm supply (chapter 23)

3. **Market Equilibrium** (Nov 17 – Dec 3)
   3.1. Market demand (chapter 15)
   3.2. Industry supply (chapter 24)
   3.3. Equilibrium (chapter 16)

All dates are approximate and may be subject to correction in the course of the term.

**Important Notes**

1. The slides used in class will be posted on the course website. The slides are not meant as an exhaustive description of everything I say in class. In other words, you should not expect that reading the slides will be a good substitute for class attendance.

2. You are welcome to ask me questions by email. However, before doing that, please consider the following:
   (a) If your question concerns organizational matters (such as the time of my office hours, the due dates for the problem sets, etc.), please have a look at the course
outline and the announcements on the course website before emailing me. I will not
answer questions whose answers can be found in those sources.

(b) If your question concerns course content, please have a look at the forum on the
course website (it can be viewed by clicking on “Forums” in the column along the left
of the screen). Your question may have been already asked and answered on the
forum. Also, please consider posting your question on the forum instead of
emailing it to me. This will be a great help for the other students who may have the
same question.

(c) If your question concerns any confidential academic or personal information (such as,
for example, your mark), I will not be able to answer it unless it is sent from a UWO
email account.

3. I will reconsider your mark on any of the assignments or exams only in the case of a
grading error. If would like me to reconsider your mark, you will have to submit a
written explanation of why you think the original mark is incorrect within 7 days of the
day the mark is received.

4. You are allowed to use electronic devices (computers, cellphones etc.) during lectures
provided that they do not emit any sounds at all.

5. The only electronic devices allowed during exams are non-programmable calculators.
Please Note
Department Policies for 2014 – 2015

Remember that the University expects all students to take responsibility for their own academic Programs. Also remember to check your registration to make sure you are enrolled in the correct courses.

1. Guidelines and policies for the Faculty of Social Science and the Department of Economics are posted online in the current Western Academic Calendar at http://westerncalendar.uwo.ca.


3. Cheating as an academic offence: Students are responsible for understanding what it means to “cheat”. The Department of Economics treats cheating incidents very seriously and will investigate any suspect behavior. Students found guilty will incur penalties that could include a failing grade or being barred from future registration in other economics courses or programs. The University may impose further penalties such as a notation on your official academic transcript, suspension or expulsion.

4. Plagiarism: Students must write their essays and assignments in their own words. Whenever students take an idea or a passage from another author, they must acknowledge it by using quotation marks where appropriate and referencing with footnotes or citations. Plagiarism is a major academic offense (see Scholastic Offence Policy in the current UWO Academic Calendar at http://westerncalendar.uwo.ca/2014/pg113.html.

The University of Western Ontario uses software to check for plagiarism and students may be required to submit their written work in electronic form. Those found guilty will have penalties imposed as noted in point 3.

5. It is Department of Economics policy that NO assignments be dated, stamped or accepted by staff. Students are responsible for submitting assignments in class or to the instructor during office hours.

6. When appealing a mark, students should refer to the University’s Procedures in the current UWO Academic Calendar (http://westerncalendar.uwo.ca/2014/pg112.html). Please note the relevant deadlines.

The Department will not consider any appeal unless an attempt has been made to settle the matter first with your instructor. If after this discussion you remain dissatisfied with a grade or other decision, you may proceed with a written appeal (e-mails are not acceptable) to the Undergraduate Director in Economics, stating the reasons for your appeal. A useful form and checklist is provided at (http://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals).

7. Systematic adjustments of a class grade distribution (either up or down) can occur in Economics courses. The fact that grades have been adjusted is not grounds for an appeal.

8. Note the following add and drop deadlines:

   Last day to add a full course or First term half course: Friday, September 12th, 2013
Last day to drop second term half course without academic penalty: Wednesday, November 5th, 2013

9. Faculty of Social Science policy states that oversleeping or misreading an exam schedule is not an excuse for a make-up. This rule applies to all mid-term tests and final exams in the Department of Economics.

Policy Regarding Makeup Tests and Final Examinations

Academic Accommodation will not be granted automatically on request. You must demonstrate by documentation that there are compelling medical or compassionate grounds before academic accommodation will be considered.

If you decide to write a test or an examination, you must be prepared to accept the mark you earn. Rewriting tests or examinations, or having the value of the test or examination reweighted on a retroactive basis, is not permitted. Book airline flights after you know the dates of your final examinations. Airline flights must not conflict with test or final exams.

If you are requesting a makeup test for a midterm or a final examination, unless medically incapable, notify your instructor by email or phone, preferably prior to the scheduled date of the test, but definitely within 24 hours of the date of the test or exam. Failure to follow this procedure may result in denial of a request for academic accommodation or result in a grade of zero. Set up an appointment as soon as possible to meet personally with your instructor. If the instructor is not available, you may send an email message, copying the Undergraduate Coordinator at econugrd@uwo.ca (Social Science Room 4075). Notifying your instructor of a missed test or exam does not automatically entitle you to a makeup test.

Students who seek a makeup test or examination must provide medical or other relevant verification that their absence from a regularly scheduled test or examination is beyond their control. Documentation must support your reasons. Medical documentation should be given to the Academic Counselling Office of your home Faculty as soon as possible (preferably within 24 hours of the test) if you know you may not be able to write your final examination on the scheduled day and time. Failure to follow this procedure, or to provide supporting documentation, may result in denial of a request for academic accommodation or result in a grade of zero. If your documentation is not acceptable, you will be given a zero for the missed test.

For personal illness, if you consult Student Health Services regarding your illness or personal problem, you should request a Student Medical Certificate from the physician. If you were seen by an off-campus doctor, obtain a certificate from his/her office at the time of your visit. The off-campus medical certificate form must be used and can be found at: http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf. Notes stating "For Medical Reasons" are not considered sufficient.

For any other circumstances, if you are not sure what documentation to provide, ask your Academic Counselor. If your documentation is judged sufficient, the academic counselor will issue a Recommendation for a Special Examination (a single form for midterms or a triple color form for final examinations). Once you have this form, contact your instructor as soon as possible to make arrangements. Even if approved from your home faculty Academic Counsellor, there is no guarantee that you will be allowed to write the makeup test and exam.

For final examinations, you need permission from your home Faculty Counsellor, your instructor, and the Department Undergraduate Director. Failure to follow this procedure may result in an examination grade of zero. You must ensure that the Special Examination form has been signed by the instructor and Department Undergraduate Director and that the form is returned to the Academic Counseling
Office for approval without delay. Make-up final examinations, if permitted, will be written within one month of the end of the exam period.

**Policies Regarding Academic Accommodation**

Information about the Faculty of Social Science’s policies regarding academic accommodation is found on its website at [http://counselling.ssc.uwo.ca/procedures/havingproblems.asp](http://counselling.ssc.uwo.ca/procedures/havingproblems.asp) or in Social Science Room 2105. Your “Academic Rights and Responsibilities” are also outlined in the current UWO Calendar at [http://westerncalendar.uwo.ca/2014/pg111.html](http://westerncalendar.uwo.ca/2014/pg111.html). Claiming that “you didn’t know what to do” is not an acceptable excuse for not following the stated procedures.

**Policy Regarding Class Attendance**

If your instructor views your class attendance as unsatisfactory, you can be prohibited from writing the final examination. If there is intent to make use of this University policy, you will be notified in writing.

**Statement on Mental Health and Support Services**

If you or someone you know is experiencing emotional/mental distress, there are several resources here at Western to assist you. Please visit [http://www.uwo.ca/uwocom/mentalhealth/](http://www.uwo.ca/uwocom/mentalhealth/) for more information and a complete list of resources, as well as how to obtain help.