INTERMEDIATE MICROECONOMIC THEORY I
DISTANCE STUDIES
ECONOMICS 2150A-650
Department of Economics
Western University
Summer 2014

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Course Materials

Course Website: http://owl.uwo.ca Because this is an online course, all other materials will be provided exclusively through the course website (OWL). Assignments and online tests will only be accepted through OWL. However, the final exam must be written in person at an approved exam center.

Course Objectives
This course will acquaint students with the behaviour of consumers and producers and their interaction in society. You will be introduced to the key microeconomic tools of constrained optimization, equilibrium analysis, and comparative statics, and shown how they work and why they are important. Intuitive explanations complemented with graphs and numerical and real-life examples will be used to teach the key concepts. This will hopefully help illuminate the power and versatility of the microeconomic way of thinking. For exams, students will be required to know not only the theory but also how to apply the theory to solve analytical problems.

Learning Outcomes
Upon successful completion of the course, the student will:

- Understand the mathematical method(s) of choosing two variables to maximize an objective subject to a linear constraint.
- Be able to apply those methods to model a consumer’s choice of consumption goods subject to a budget constraint.
- Be able to apply those methods to model a producer’s choice of inputs subject to a technological constraint.
- Be able to model how a price-taking firm maximizes profits given the minimized costs studied earlier.
• Have acquired knowledge of consumer and producer surplus, and will understand how to apply these concepts to evaluate the effects of government policies.

Registration
You are responsible for ensuring you are registered in the correct courses. If you are not registered in this course, the Department will not release 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 faculty academic counselor right away.

Prerequisite Note
The prerequisites for this course are Economics 1021A/B and 1022A/B, or Economics 1020, or 2001A/B and one of MCV4U, Mathematics 0110A/B, Calculus 1000A/B, Mathematics 1225A/B or the former Calculus 1100A/B.

The antirequisite for this course is Economics 2260A/B.

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken an antirequisite course. Lack of prerequisites 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.

Tentative Course Schedule

<table>
<thead>
<tr>
<th>Topic</th>
<th>Textbook Chapter</th>
<th>Weeks/Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1</td>
<td>1 (May 5-9)</td>
</tr>
<tr>
<td>Demand and Supply</td>
<td>2</td>
<td>2 (May 12-16)</td>
</tr>
<tr>
<td>Consumer Preference</td>
<td>3</td>
<td>3-4 (May 19-30)</td>
</tr>
<tr>
<td>Consumer Choice</td>
<td>4</td>
<td>5 (June 2-6)</td>
</tr>
<tr>
<td>Theory of Demand</td>
<td>5</td>
<td>6 (June 9-13)</td>
</tr>
<tr>
<td>Production Technology</td>
<td>6</td>
<td>7-8 (June 16-27)</td>
</tr>
<tr>
<td>Cost Minimization</td>
<td>7</td>
<td>9 (June 30-July 4)</td>
</tr>
<tr>
<td>Cost Curves</td>
<td>8</td>
<td>10 (July 7-11)</td>
</tr>
<tr>
<td>Competitive Markets</td>
<td>9</td>
<td>11 (July 14-18)</td>
</tr>
<tr>
<td>Applications</td>
<td>10</td>
<td>12 (July 21-25)</td>
</tr>
</tbody>
</table>

Assessment
Your mark will be calculated based on the following:

- 3 Online Tests 30% (Due at 11:59PM on the date shown below)
- 2 Assignments 20% (Due at 11:59PM on the date shown below)
- Final Exam 50% (To be scheduled by the registrar)
### Assessment Coverage Due Date

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Coverage</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Test 1</td>
<td>Chapters 1-2</td>
<td>May 23</td>
</tr>
<tr>
<td>Online Test 2</td>
<td>Chapters 3-4</td>
<td>June 6</td>
</tr>
<tr>
<td>Assignment 1</td>
<td>Chapters 1-5</td>
<td>June 27</td>
</tr>
<tr>
<td>Online Test 3</td>
<td>Chapters 6-8</td>
<td>July 11</td>
</tr>
<tr>
<td>Assignment 2</td>
<td>Chapters 6-10</td>
<td>July 25</td>
</tr>
<tr>
<td>Final Exam</td>
<td>Chapters 1-10</td>
<td>To be scheduled by the registrar during July 28-31</td>
</tr>
</tbody>
</table>

**Note:** Computer-marked multiple-choice tests and/or exams may be subject to submission for similarity review by software that will check for unusual coincidences in answer patterns that may indicate cheating.

### Policy Regarding Late/Missed Assessments

Online tests: There will be no extensions for online test deadlines or make-up tests. If you miss an online test, you must contact the instructor within 24 hours and must contact your Academic Counselor on the next business day. Accommodation for a missed test will be granted with approved documentation only. If you miss more than one test during the term, you may be required to complete an additional assignment or assessment.

Assignments: Late assignments will be assessed a 20 percentage point penalty for each day they are late.

Final Exam: If you miss the final exam, you must contact the instructor within 24 hours and must contact your Academic Counselor on the next business day. Accommodation for a missed final exam will be granted with approved documentation only. Students who miss the Final Exam will be required to write a make-up final exam.

### How To Approach This Course

A reasonable way to approach this course would be as follows:

1. Work through the textbook chapters as they are covered in the course. Certain concepts and techniques introduced early are fundamental to understanding later chapters, so **be sure you feel comfortable with earlier chapters before proceeding.** Take your own notes as you read if that is helpful to you.

2. **Read the course notes.** The course notes are intended to both clarify and summarize the theory and techniques covered in the corresponding chapter of the textbook. Examples embedded in the notes build a working knowledge of the material, and applications illustrate the versatility of microeconomic theory. If there are diagrams in the notes, make certain that you can draw them, fully labeled, independently and accurately.
3. **Economic analysis cannot be mastered by memorizing key concepts and reading examples alone.** Working independently on exercises is essential to understanding the course material. Work through the textbook examples, end-of-chapter problems, and the study guide. The study guide ressumarizes the material in the corresponding chapter of the textbook. Also included in the study guide are Exercises, Chapter Review Questions, Problems, and Exam Questions, complete with detailed answers written so as to teach students how to solve problems. Work on the questions assigned out of the study guide as the related topic is covered in the course. **The more questions you do, the better you will do in the course.** For more practice questions, do the end-of-chapter problems assigned out of the textbook. Fully worked-out solutions to selected textbook problems are provided at the end of the book. Additional online practice quizzes are also available on the textbook website: [www.wiley.com/college/besanko](http://www.wiley.com/college/besanko) (after logging onto the site, find the textbook we are using, then click on student companion site).

4. Once you are confident that you have mastered the material in a chapter, including the examples and exercises, move on to the next chapter, proceeding in the same way. **Do not move on if you feel there are serious gaps in your understanding or in your ability to do the exercises.** The material in this course continuously builds on what came before, so your confusion is likely to increase if you move ahead before you are ready.

5. Finally, begin to work on the assignment problems for each chapter as soon as you complete any chapter. **The more time you spend on each question or problem, the better your answer will be.** Complete each assignment by the end of the week indicated. If possible, try to contact any other students who may be taking the course in your area to form a study group. This can be extremely beneficial. In general, you will develop your own style of study for the course before long, and whatever works best for you is appropriate. Focus on results. Produce completed assignments and appear for the examination well prepared.

6. **Do not be afraid to ask for help.** Send the instructor an email if you are unable to confidently move onto the next chapter.
Please Note

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 behaviour. 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 offence (see Scholastic Offence Policy in the current UWO Academic Calendar at http://westerncalendar.uwo.ca/2013/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/2013/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:

Dates for adding courses in the summer:
- Last day to add a Distance Studies Course: Friday, May 9, 2014
- Last day to add an Intersession Course: Tuesday, May 13, 2014
- Last day to add a first term half course Summer Evening: Friday, May 9, 2014
- Last day to add a second term half course Summer Evening: Friday, June 20, 2014

Dates for dropping Courses in the summer:
- Last day to drop a Distance Studies Course: Friday, May 30, 2014
- Last day to drop an Intersession Course: Thursday, May 22, 2014
- Last day to drop a first term half course Summer Evening: Friday, May 16, 2014
- Last day to drop a second term half course Summer Evening: Friday, June 27, 2014

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 ASAP 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 Chair. 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 Chair 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 or in Social Science Room 2105. Your “Academic Rights and Responsibilities” are also outlined in the current UWO Calendar at http://westerncalendar.uwo.ca/2013/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 debarred 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/ for more information and a complete list of resources, as well as how to obtain help.