

INTERMEDIATE MICROECONOMIC THEORY I – DISTANCE STUDIES

ECONOMICS 2150A-650

Department of Economics
Western University

Instructor: Galyna Gryniv

Summer 2016

Office Room Number: SSC 4006

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Website Address: <http://owl.uwo.ca>

Office Hours: An office hour will be set before each assignment and the final exam. Otherwise, students are encouraged to contact instructor by e-mail.

Undergraduate Enquiries: SSC Room 4075, 519-661-3507

Course Objectives:

This course builds the analytical foundation upon which nearly all economic models and predictions are based: constrained optimization, equilibrium analysis, and comparative statics. You will learn how a consumer chooses among different goods when constrained by her budget, how firms allocate resources when constrained by costs or production capabilities, and how these decisions change with economic conditions. You will see, as the course progresses, how the choices made by individual consumers and firms translate into stable, predictable outcomes in the market as a whole. The analytical approach will be grounded in numerous real world examples to demonstrate the importance of understanding the basic economics that underpins the workings of our daily lives.

Since this is an *online* course, all other course material, as well as assignments and quizzes, will be provided exclusively through OWL. Assignments and quizzes will only be accepted through OWL.

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 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://student.uwo.ca>. 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 2001A/B and one of MCV4U, Mathematics 0110A/B, Calculus 1000A/B, Calculus 1500A/B, Mathematics 1225A/B or the former Calculus 1100A/B. The antirequisite is Economics 2260.*

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.

Textbook:

David Besanko and Ronald R. Braeutigam, *Microeconomics*, 5th edition, John Wiley and Sons Inc., 2014

David Besanko and Ronald R. Braeutigam, *Student Study Guide Microeconomics*, 5th edition, John Wiley and Sons Inc., 2014

It is required that students have access to the **textbook**, and the **study guide** as well. A copy of the textbook should be available in the reserve section of the Weldon library once the term begins.

Tentative Course Schedule:

Content	Textbook Chapter(s)	Week(s)
Introduction	1	1, May 9-13
Demand and Supply	2	2, May 16-20
Consumer Preference	3	3, May 23-27
Consumer Choice	4	4-5, May 30 - June 10
Theory of Demand	5	6, June 13-17
Production Technology	6	7-8, June 20-July 1
Cost Minimization	7	9, July 4-8
Cost Curves	8	10, July 11-15
Competitive Markets	9	11, July 18-22
Applications	10	12, July 25-29
Final Exam	1-10	13, August 2-5

Evaluation:

The course grade will be based on two assignments, four short quizzes, and a final exam. Both the assignments and quizzes will be submitted via OWL. The format of the assignments and the final exam will include short answer questions such as true/false and explain, and problem-solving questions similar to those on the quizzes.

The quizzes and the assignments are due on the FRIDAY of the week indicated below. The final exam will be scheduled in the week of August 2th to August 5th.

The distribution of the marks is as follows:

Short Quizzes	25%
Assignments	25%
Final	50%

Assessment	Content	Due Week
Quiz 1	Chapters 1-2	3
Quiz 2	Chapters 3-4	5
Quiz 3	Chapters 6-7	9
Quiz 4	Chapters 8-9	11
Assignment 1	Chapters 1-5	6
Assignment 2	Chapters 6-10	12

Late/Missed Assignments or Quizzes:

If a student miss a deadline for the quizzes and the assignments, students are responsible to inform the instructor within 24 hours. Any subsequent missed quizzes/assignments will be given a grade of zero. *Late assignments will be assessed a 10% penalty the first day, and not accepted subsequently.* If a student fails to submit a quiz or an assignment on time, and has a valid reason, it is their responsibility to contact the instructor and explain the reason. Only valid reasons, with proper approval documentation, will be granted accommodation.

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 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 through examples alone.** Working independently on exercises is essential to understanding the course material. Work through the study guide. The study guide summarizes 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.** If you wish to work on 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 (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.
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

Department Policies – Summer 2016

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>.
2. Students must familiarize themselves with the “Rules of Conduct for Examinations” <http://westerncalendar.uwo.ca/2016/pg136.html>.
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/2016/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/2016/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 <u>add</u> a Distance Studies Course	Monday, May 13, 2016
Last day to <u>add</u> an Intersession Course:	Tuesday, May 17, 2016
Last day to <u>add</u> a first term half course Summer Evening:	Friday, May 8, 2016
Last day to <u>add</u> a second term half course Summer Evening:	Friday, June 24, 2016

Dates for **dropping** Courses in the summer:

Last day to <u>drop</u> a Distance Studies Course	Monday, June 13, 2016
Last day to <u>drop</u> an Intersession Course	Monday, June 6, 2016
Last day to <u>drop</u> a first term half course Summer Evening:	Monday, June 6, 2016
Last day to <u>drop</u> a second term half course Summer Evening:	Friday, July 18, 2016

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/2016/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.