

Principles of Microeconomics
ECONOMICS 1021A-001
Department of Economics
Western University

Summer 2018

Instructor: Bruce Hammond
Office: SSC4035
Phone: (519) 661-2111 ext. 85452 do not leave a message, it is better to contact me by e-mail
E-mail: bhammon2@uwo.ca
Office Hours: Mondays from 4:45 – 6:45 pm
Classroom meeting time & location: Monday and Wednesday 7 – 10 pm SSC 2036
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 this 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:

There are no prerequisites for this course.

Goal of the Course

The goal of this course is to introduce you to the principles of economics and enable you to understand and interpret economic events in the world around you. You will use microeconomics to help understand how pricing and purchasing decisions are made in a market economy.

Learning Outcomes

Upon successful completion of the course, the student will be able to:

1. Use production possibility theory to explain scarcity, choice, opportunity costs and economic growth.
2. Explain how prices are determined in a market economy and use the supply and demand model to explain and predict price changes.
3. Explain the impact price changes have on the firm's revenue using elasticity.
4. Explain consumer behavior using utility theory and indifference curves.
5. Assess the impact of government intervention in free markets.
6. Calculate the firm's costs in the short run and long run.
7. Describe the characteristics of perfect competition, monopoly, monopolistic competition and oligopoly.
8. Explain how price and output for the firm are determined in perfect competition, monopoly, monopolistic competition and oligopoly.
9. Explain how prices of resources are determined.

Required resources

MicroEconomics: Canada in the Global Environment, 9th edition, Parkin & Bade,

The study workbook "Microeconomics flexText" and the access kit for MyEconLab are also recommended. These can be purchased in a bundle with the textbook.

MyEconLab is an online resource with many valuable aids to help you with your studying. It can be accessed at the www.pearsonmylab.com website, access to this website is included with the purchase of the textbook package or can be purchased separately. (The Myeconlab website includes an online version of the textbook.)

Microeconomics flexText is a hard copy study guide containing key concepts, self-tests, multiple choice practice questions and short answer problems. It is also included with the purchase of the textbook package or can be purchased separately.

MyEconLab Course ID : hammond46383

Method of evaluation

Mid - term test – 40%

Exam – 60% (This exam will cover all material taken since the beginning of the course)

Mid-term results will be posted on OWL. Final grades will be available on the Student Services website.

All tests and exams are 2 hours and will consist of multiple choice questions.

You are required to bring to the tests and exams:

- Current UWO student ID card
- Pencil
- Non-programmable calculator (graphing and cell phone calculators are not allowed)

Missed Tests

Students should review the attached information and the following regarding missed tests.

If you know in advance that you have a conflict with the mid-term test, you must discuss this with me at least one week before the test date. If your reason for not being able to write the test is approved by me, you will write a make-up test before the regular test date. Please note that even if you have a conflict with a test in another course failure to follow this policy will result in a mark of zero if you miss my test.)

If something comes up the day of the mid-term tests, then you should email me within 24 hours. You must also see your academic counselor in order for them to review your reason and documentation for missing the test. If both your counselor and I agree that you had a legitimate reason to miss the test (supported by the appropriate documentation) then you will be able to write a make-up test consisting of short answer and essay style questions.

SCHEDULE

| DATE | TOPIC | READINGS | Suggested “flextext” exercises |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| May 7 | - Introduction to Economics - Making and Using Graphs - The Economic Problem | - Ch. 1 - Ch. 1 Appendix - Ch. 2 (omit “Gains From Trade, pages 40-43) | Ch. 2 - #2 and #3 starting on p. 67 |
| May 9 | - How Prices and Quantities are Determined (Demand and Supply) | - Ch. 3 | Ch. 3 - #5 starting on p. 108 |
| May 14 | - The Relationship Between Price and Quantity (Price Elasticity of Demand and Price Elasticity of Supply) | - Pages 83-90, 94-97 | Ch. 4 - #3 and #4 starting on p. 143 |
| May 16 | - Consumer and Producer Surplus - Market Interference - How an Individual Decides How Much to Buy: (Utility) | - Pages 108-111, - “Price Discrimination” and “Capturing Consumer Surplus” pages 307-310 - Ch. 6 - Ch. 8 | Ch. 6 - #2 and #3 starting on p. 196 Ch. 8 - #4 and #5 starting on p. 253 |
| May 21 | Holiday - No class | | |
| May 23 | Mid-Term Test: 7-9 pm location TBA | | |
| May 28 | - Economic Profit - Market Types - Costs of Production | - Ch. 10 pages 224-225 - Ch. 10 pages 233 - Ch. 11 | Ch. 11 - #5 and #6 starting on p. 334 |
| May 30 | - How an Individual Firm Determines Price and Production Levels in: <ul style="list-style-type: none"> • Perfect Competition | - Ch. 12 | Ch. 12 - #5 and #6 starting on p. 363 |
| June 4 | - How an Individual Firm Determines Price and Production Levels in: <ul style="list-style-type: none"> • Monopoly • Monopolistic Competition | - Ch. 13 - Ch. 14 | Ch. 13 - #1a, #1b and #1c starting on p. 392 Ch. 14 - #1, #2, and #3 starting on p. 424 |
| June 6 | - How an Individual Firm Determines Price and Production Levels in: <ul style="list-style-type: none"> • Oligopoly - Externalities | - Ch. 15 - Ch. 16 | Ch. 15 - #5 starting on p. 449 Ch. 16 - #5, #6 and #7 starting on p. 473 |

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| June 11 | - Public Goods and Common Resources - The Labour Market | - Ch. 17 (omit “Inefficient Public Provision” p. 395-397) - Ch. 18, pages 413-425 | Ch. 18 - #1 starting on p. 520 |
| June 13 | The Labour Market | Ch. 18, pages 413 - 425 | |
| Exam Period | Final Exam: June 16 or 17 Date and location TBA Covers all material from the beginning of the course | | |

Please Note Department Policies for Summer 2018

Remember that the University expects all students to take responsibility for their own Academic Programs. Students should also check their registration to ensure they 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://www.uwo.ca/univsec/pdf/academic_policies/exam/administration.pdf.
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 an official academic transcript, suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. When taking an idea/passage from another author, it must be acknowledged with quotation marks where appropriate and referenced with footnotes or citations. Plagiarism is an academic offence (see Scholastic Discipline for Undergraduate Students in the Western Calendar at http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_20).

Western University uses software to check for plagiarism and students may be required to electronically submit their work. Those found guilty will be penalized as noted in point 3.

5. It is a Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students must submit assignments in class or to the instructor during office hours.
6. When appealing a mark, students should refer to the Student Academic Appeals section in the current Western Academic Calendar at:
http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_14.

Please note the relevant deadlines.

The Department will not consider an appeal unless an attempt has been made to settle the matter with the instructor first. Students who remain dissatisfied with the outcome may proceed with a written appeal (e-mails are not acceptable) to the Undergraduate Director in Economics, stating the reasons for their appeal. A 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:

Deadlines to add courses in the summer:

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|-------------------------------|-----------------------------|
| Distance Studies: | Friday May 11, 2018 |
| Intersession: | Tuesday May 15, 2018 |
| Summer Evening (first term): | Friday May 11, 2018 |
| Summer Evening (second term): | Friday June 22, 2018 |

Deadlines to drop courses in the summer:

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|-------------------------------|-----------------------------|
| Distance Studies: | Monday June 11, 2018 |
| Intersession: | Monday June 4, 2018 |
| Summer Evening (first term): | Monday June 4, 2018 |
| Summer Evening (second term): | Monday July 16, 2018 |

9. Faculty of Social Science policy states that oversleeping or misreading an exam schedule is NOT grounds for a makeup. This rule applies to midterm and final exams in the Department of Economics.

Policy Regarding Makeup Tests and Final Examinations

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

Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or having their value reweighted on a retroactive basis, is **not** permitted. Students must also book travel arrangements **AFTER** final exam dates have been posted as they must not conflict with test or final exams.

Unless medically incapable of doing so, students must notify their instructor prior to the test date or at least within **24 hours** when requesting a makeup exam. Failure to follow this procedure may result in denial of academic accommodation and a grade of zero. Students should also set up an appointment as soon as possible to meet with their instructor. If the instructor is not available, send an email message, copying the Undergraduate Coordinator at econugrd@uwo.ca. **Notifying instructors of a missed exam does not automatically entitle students to a makeup.**

Students who seek a makeup exam must also provide supporting medical or other relevant documentation that their absence from a scheduled test or exam is beyond their control. Documentation should be submitted to the Academic Counselling Office of the student's *home* Faculty **as soon as possible (preferably within 24 hours of the scheduled test)**. Failure to follow this procedure may result in denial of academic accommodation and a grade of zero. If the documentation submitted is not acceptable, students will receive a zero for the missed test.

For personal illness, students may consult Student Health Services and request a Student Medical Certificate from the physician. If assessed by an off-campus doctor, students must obtain a certificate from his/her office at the time of the visit. The off-campus medical certificate form must also 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 religious or compassionate circumstances, students should ask their Academic Counsellor what documentation to provide. If documentation is judged sufficient, the Academic Counsellor will issue a Recommendation for a Special Examination (a single form for midterms or a triple-color form for final exams). Once students have this form, they must contact their instructor as soon as possible to make arrangements. Even if approved by their Academic Counsellor, there is no guarantee that students will be allowed to write the makeup test/exam.

For final examinations, students need to seek permission from their *home* Faculty Counsellor, Instructor, and the Department Undergraduate Director. Failure to follow this procedure may result in a grade of zero. Students 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 Counselling Office for approval without delay. If approved, makeup examinations will be written within one month of the end of the exam period.

Policies Regarding Academic Accommodation

The Faculty of Social Science's policies regarding academic accommodation is found at http://counselling.ssc.uwo.ca/procedures/having_problems/index.html.

"Academic Rights and Responsibilities" are also outlined in the Western Calendar at

<http://westerncalendar.uwo.ca/PolicyPages.cfm?PolicyCategoryID=1&command=showCategory&SelectedCalendar=Live&ArchiveID=>. 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 the instructor deems a student's class attendance as unsatisfactory, that student may be prohibited from writing the final examination. If there is intent to make use of this University policy, the student will be notified in writing.

Statement on Mental Health and Support Services

Students under emotional/mental distress should visit http://uwo.ca/health/mental_wellbeing/ for more information and a complete list of resources on how to obtain help.