

INTERMEDIATE MICROECONOMIC THEORY II
ECONOMICS EC2151B-002
Department of Economics
Western University

January 2020

General Information:

Instructor: Terrence “Adam” Rooney
Office: 4046 SSC
Phone: (Email communication is preferred)
E-mail: trooney3@uwo.ca
Office hours: M 11:30 – 1:30
Classroom meeting times & location: M 8:30 – 9:30; W 8:30 – 10:30; SSC 2028
Course website: <https://owl.uwo.ca/portal>
Undergraduate inquiries: 519-661-3507 or 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:

The prerequisite for this course is **Economics 2150A/B**.
The antirequisite for this course is **Economics 2261A/B**.

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken any anti-requisite courses. 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.

Course Objectives:

This course picks up where Economics 2150A/B left off, and covers imperfectly competitive markets, price discrimination, market structure and competition, game theory and strategic behavior, as well as decision making under risk and imperfect information. Theories and applications will be presented along with a variety of examples that will help students build a

fundamental understanding of the course content. By the end of this course, students will be able to determine the optimal behavior of firms in a variety of settings and understand why such behavior is optimal.

Course Learning Outcomes:

Upon taking this course, students will be able to:

- Describe the difference between perfectly and imperfectly competitive markets, determine the optimal behavior of monopolists in a variety of settings, and examine the impact of exogenous changes on imperfectly competitive market equilibria.
- Explain how different forms of price discrimination can help firms capture additional surplus.
- Identify different types of market structure and compute equilibria for various forms of competition.
- Describe the core elements of a game in game theory and determine the likely outcome for a variety of games.
- Understand how to make decisions in situations with risk and imperfect information.

Textbooks:

(Required):

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

(Optional):

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

Note: The textbook and study guide are available on 2-hour reserve at D.B. Weldon Library.

Grading:

Midterm 1 (25%): Wednesday, January 29, 2020; 8:30am-10:20am (in-class)

Midterm 2 (25%): Wednesday, March 4, 2020; 8:30am-10:20am (in-class)

Final: (50%) To be announced by the Registrar's Office

The midterms will each be 110 minutes in length and be held during our regularly scheduled class meeting time. Both midterms will take place in SSC 2028. The final exam will be 2 hours in length. All three evaluations will be in multiple choice format. There will be no make-up midterms given. The weight of any missed midterm will be transferred to that of the final exam. However, in order for the weight of any missed midterm to be transferred to the weight of the final, students must abide by the department's policies listed on pages 5 and 6 of this outline. The final exam will be cumulative.

Exam Policy:

During both midterms and the final exam, the only electronic device allowed is a non-programmable and non-graphing calculator (without a lid). This implies that cell phones, iPods, iPads, laptops, dictionaries, wristwatches, Apple watches, and timepieces are prohibited. Having any of these listed items, besides the non-programmable and non-graphing calculator, on you during any evaluation will be understood as cheating.

Students must bring their student ID and a pencil to each midterm and exam. Pens, an eraser, a water bottle without a sleeve, and necessary medication are optional. Pencil cases and food are prohibited. Students must place all backpacks and coats at the front or side of the exam room.

Course Website:

<https://owl.uwo.ca/portal>

This site provides you access to lecture slides, homework questions, and solutions for selected homework questions. Students are encouraged to complete all homework questions to solidify an understanding of the course content presented throughout the lectures. This site will also provide course-related announcements (i.e. final exam time/date/location). **The lecture slides are not a substitute for attending lectures. Any content discussed during lecture is subject to examination.**

Copyright:

Lectures and course materials, including power point presentations, outlines, and similar materials, are protected by copyright. Students may take notes and make copies of course materials for their own educational purposes. Students may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, wiki material, and other course materials publicly and/or for commercial purposes without written consent.

Course Overview:

Unit 1: Monopoly (Chapter 11)

Unit 2: Capturing Surplus (Chapter 12)

Unit 3: Market Structure and Competition (Chapter 13)

Unit 4: Game Theory and Strategic Behavior (Chapter 14)

Unit 5: Risk and Information (Chapter 15)

Time permitting:

Unit 6: General Equilibrium Theory (Chapter 16)

Unit 7: Externalities and Public Goods (Chapter 17)

Please Note
Department Policies for 2019-2020

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:

Deadline to <u>add</u> a second term half course:	January 14, 2020
Deadline to <u>drop</u> a second term half course:	March 7, 2020
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 on Tests, Final Exams and on Missed Academic Responsibilities

Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or retroactive reweighting of marks, is **not** permitted. Students must book travel arrangements AFTER final exam dates have been posted; travel is not an acceptable excuse for absence from a final exam.

Students who are temporarily unable to meet academic requirements due to extenuating circumstances can follow Western University procedures to request academic consideration through the following routes:

- a) Submit a Self-Reported Absence form if the conditions for submission are met (e.g., only for exams or assessments worth 30% or less of the course mark; not applicable to final exams; maximum 2 self-reported absences per academic year; see [link](#) for full list of conditions and info).

If the conditions for submission of a Self-Reported Absence form are not met, then:

- b) For medical absences, submit a Student Medical Certificate (SMC) signed by a licensed medical or mental health practitioner along with a request for academic consideration to Academic Counselling in the student's home Faculty (see [link](#) for full info) ; or
- c) For non-medical absences (e.g., religious or compassionate), submit appropriate documentation to Academic Counselling in the student's home Faculty (see [link](#) for full info).

It is strongly recommended that students notify their instructors as soon as possible. University policy is that students **must** communicate with their instructors no later than **24 hours** after the end of the period covered by either the self-reported absence or SMC, or immediately upon their return following a documented absence. Failure to follow University policy and procedures may result in denial of academic accommodation and a grade of zero. Students should also set up an appointment to meet with their instructor as soon as possible. If the instructor is not available, send an email message, copying the Undergraduate Coordinator at econugrd@uwo.ca.

Note: Academic consideration is not normally intended for long-term, recurring absences, an existing disability, or high levels of stress related to academic performance. In such cases, students should consult their academic counsellor. See [link](#) for full information.

In all cases, if the documentation submitted to request academic consideration is not acceptable, students will receive a grade of zero for the missed test, exam, or assignment.

For full information about Western University’s policies and procedures for student absences and requests for academic consideration, please visit this [link](#).

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.