

## ECONOMICS 103 (A01)

### Principles of Microeconomics

Spring 2012

CRN 24650

Dr. Malcolm Rutherford

BEC 340

[rutherfo@uvic.ca](mailto:rutherfo@uvic.ca)

Office Hours:

Tuesday 11:30-12:30, Wednesday 12:30-1:20

or by appointment

#### **COURSE OBJECTIVES:**

This course covers the basic *principles* of microeconomic analysis. Microeconomics consists of theories of the decision making of economic agents (consumers and producers) and their interaction through markets. The objectives and constraints that direct the decision making of economic agents will be examined in some detail. The outcome of their interaction will depend on the nature of the market. Markets may be competitive or characterized by some form of imperfect competition or monopoly. Markets may also be subject to various types of market failure, and are affected by government interventions and regulations. The concept of economic efficiency provides a basis for the appraisal of market performance and of government intervention.

Although this course focuses on the general principles of microeconomic analysis, applications of these principles to issues of current importance will be pointed out wherever possible.

The course has three distinct components. The first is the lectures that deal with the material primarily in a conceptual and abstract fashion. The second is the Study Guide that goes through the material using simplified arithmetic examples and questions as well as self test exercises and multiple-choice questions. The third is the labs that provide applications of theory to real world issues, practice exercises including diagrams, and reviews prior to exams. Mid-term exams are also returned in the labs.

The course web page (see below) provides links to a number of economics blogs and columns that discuss current issues, and to a number of recent popular books on economics.

## MATERIALS AND RESOURCES:

**Textbook (required):** Paul Krugman, Robin Wells and Anthony Myatt, *Microeconomics*, Canadian Edition (Worth).

**Study Guide (required):** The text book will come packaged with a study guide. It is *strongly* recommended that students work through the study guide as the course progresses. An outline of the most important material to cover in the study guide is provided, but the more of the study guide you complete the better. Working through the guide will give you practice in the types of questions asked on exams and will significantly enhance your exam performance and your course grade.

**Textbook Web Site:** The text book publisher also provides an excellent web site at <http://bcs.worthpublishers.com/krugmanwellsmicro/>

**Course Web Page:** The course web page contains the course outline, copies of the lecture overheads (which you can download and print out), and links to other sites dealing with materials covered in class or of related interest. Please be aware that the lecture overheads are **not** an adequate substitute for attending class. Answers to mid-term exams and exam grades will also be posted on this page: <http://web.uvic.ca/~rutherfo/econ103.html>

**Labs:** Lab sections are linked to specific lecture sections. Labs are one hour per week and are staffed by graduate student TAs. Labs will be designed to promote discussion and understanding of key concepts with applications to real world issues. They will also provide practice in graphing. Labs in the weeks prior to exams will be reviews for the exam. Labs carry a grade of 10% of the final grade and will be marked on attendance and participation. **Material for the labs may be posted on the Moodle site for Econ 103:** <http://moodle.uvic.ca/>. Please view the Moodle orientation video to get started: <http://elearning.uvic.ca/moodle/students/orientation-video>

**Help Centre:** In addition to the three hours of lecture classes each week, the lab, and the instructor's office hours, there is a help centre for Econ 103 students staffed by graduate student TAs. The centre is in BEC 341. Hours will be announced and posted on the course web page at the beginning of term.

*Students must be sure to clarify problems and difficulties as they arise as the course moves along at a fast pace and each part builds on what went before.* If you have any questions arising out of the lectures, text book, or in working through the study guide go to the help centre for advice. If you still have a problem then contact me. Please make full use of the Help Centre.

***Ask questions, make use of your labs, my office hours, and the Help Centre—do not be afraid to ask for help!***

**COURSE OUTLINE:**

**Lecture Topics and Reading** (Subject to adjustment)

**Part I: Basic Concepts and Models**

Basic Concepts: Chapters 1 and 7 (pp. 170-183)

Some Basic Models: Chapter 2 (including appendix)

**Part II: Demand, Supply, and Elasticity**

Demand, Supply, and Markets: Chapter 3

Elasticity: Chapter 5

**Part III: Markets and Efficiency**

Markets and Efficiency: Chapter 6 (up to p.160)

Applications: Market Regulations and Sales Taxes: Chapters 4 and 6 (pp. 161-166)

(First mid term will cover Parts I to III)

**Part IV: Demand**

The Theory of Demand: Chapters 10 and 11

**Part V: Production and Cost**

The Theory of Production and Cost: Chapter 8

**Part VI: Perfect Competition**

Perfect Competition: Chapter 9

(Second mid term will cover parts IV to VI)

**Part VII: Monopoly**

Monopoly: Chapter 14

**Part VIII: Monopolistic Competition and Oligopoly**

Monopolistic Competition: Chapter 16

Oligopoly: Chapter 15

**Part IX: Factor Markets**

Labour Markets: Chapter 12

**Part X: Market Failures**

Externalities, Public Goods and Open Access Resources: Chapters 19 and 20

**EVALUATION:**

Labs = 10%

Mid-term #1 (50 minutes) = 25%

Mid-term #2 (50 minutes) = 25%

Final Exam (2 hours) = 40%

The final exam is comprehensive.

**Mid Term Exam Schedule**

Mid Term #1: Feb 3 (Friday)

Mid Term #2: March 9 (Friday)

Exams will be a combination of multiple choice questions and questions requiring numerical calculation and/or diagrams and written explanations. The written questions will be similar in nature to those covered in the study guide and in the labs. The relationship between calculated course percentage marks and letter grades is as follows:

A+ (90-100)

A (85-89)

A- (80-84)

B+ (75-79)

B (70-74)

B- (65 -69)

C+ (60-64)

C (55-59)

D (50-54)

F (0-49)

No E grades will be given.

Mid-term exams will be returned via the labs and help centre. Grades and answer keys will be posted on the course web site. Make-up mid term exams will be given on the basis of documented illness or family affliction only. A make up will be scheduled for the Friday following the exam date at 2:30 pm. **No other make up time will be scheduled.**

Deferred final exams will be given only on the basis of documented illness or family affliction, and for no other reasons. The documentation must provide specific detail to be acceptable. Deferred final exams will be scheduled *only* during the deferred exam period in late July. **No other make up time will be scheduled.**

**Plagiarism and Cheating:** The standards and reputation of a university are the shared responsibility of its faculty and student body. Students are expected to observe the same standards of scholarly integrity as their academic and professional counterparts. Plagiarism and cheating are considered to be a most serious breach of academic integrity and shall be dealt with as such by the Department of Economics.

*The University of Victoria is committed to promoting, providing and protecting a positive and safe learning and working environment for all of its members.*

## Economics 103, A01, Spring 2012

Dr. Malcolm Rutherford

### Lab and Study Guide Schedule

#### 1. Lab Schedule

There are NO labs in the first two weeks of term and NO labs reading break week. The labs held the week of mid terms and the last lab of the term will focus on exam preparation. Other labs will involve discussion and exercises involving application of economic principles to real world topics of interest. If you have a Friday lab on the day of an exam or in the last week of term you may join another lab section for that week.

Labs count for 10% of the course grade. Marks are based on both attendance and participation.

Week 1	Jan 4-6	<b>No Labs</b>
Week 2	Jan 9-13	<b>No Labs</b>
Week 3	Jan 16-20	Lab—demand, supply, and markets
Week 4	Jan 23-27	Lab—elasticity and efficiency
Week 5	Jan 30-Feb 3	Lab—mid-term #1 preparation (exam on the 3rd)
Week 6	Feb 6-10	Lab—applications of the material covered so far
Week 7	Feb 13-17	<b>No Labs—reading break</b>
Week 8	Feb 20-24	Lab—mid-term #1 return, and demand theory
Week 9	Feb 27- March 2	Lab—production, cost, and perfect competition
Week 10	March 5-9	Lab—mid-term #2 preparation (exam on the 9th)
Week 11	March 12-16	Lab—monopoly
Week 12	March 19-23	Lab—mid-term #2 return, and imperfect competition
Week 13	March 26-30	Lab—distribution and externalities
Week 14	April 2-5*	Lab—final exam preparation

\* The University is shut on April 6—Good Friday

## 2. Study Guide Schedule

Each Study Guide chapter has three parts—(1) a review of the chapter with fill in the blank questions, (2) multiple choice questions, and (3) a section of problems and exercises. *For all chapters listed students should complete the first two parts and at least the problem questions explicitly listed below.* The more of the study guide you do the better you will do on exams.

Week 1	Jan 4-6	-----
Week 2	Jan 9-13	Ch 1, problem 1, Ch 2, problems 1 and 3, (also Ch 2 Appendix on Graphing)
Week 3	Jan 16-20	Ch 3, problems 1, 3 and 11
Week 4	Jan 23-27	Ch 5, problems 2 and 4, and Ch 4 problems 2 and 3
Week 5	Jan 30-Feb 3	Ch 6 problem 2 and review for exam
Week 6	Feb 6-10	Ch 10, problems 2 and 5 (note: error in answer to 5b)
Week 7	Feb 13-17	Reading Break—Review all material so far
Week 8	Feb 20-24	Ch 11, problems 2 and 5
Week 9	Feb 27- March 2	Ch 8, problems 1 and 2
Week 10	March 5-9	Ch 9, problems 1 and 4 and review for exam
Week 11	March 12-16	Ch 14, problems 1 and 3
Week 12	March 19-23	Ch 16, problems 1 and 5 Ch 15, problems 2 and 5
Week 13	March 26-30	Ch 12, problem 1, Ch 19, problems 2 and 7
Week 14	April 2-5*	Review for Final Exam

\* The University is shut on April 6—Good Friday

*If you have problems in doing any of the study guide questions please go to the help centre for assistance or come and see me during my office hours.*

## DEPARTMENT OF ECONOMICS

### UNDERGRADUATE COURSE POLICIES

#### Academic Integrity:

Academic integrity requires commitment to the values of honesty, trust, fairness, respect, and responsibility. Students are expected to observe the same standards of scholarly integrity as their academic and professional counterparts. A student who is found to have engaged in unethical academic behaviour, including the practices described in the [Policy on Academic Integrity](http://web.uvic.ca/calendar/FACS/UnIn/UARe/PoAcl.html) (<http://web.uvic.ca/calendar/FACS/UnIn/UARe/PoAcl.html>) in the University Calendar, is subject to penalty by the University.

#### Attendance:

Students are expected to attend all classes in which they are enrolled ([Attendance Policy](http://web.uvic.ca/calendar/FACS/UnIn/UARe/index.html) - <http://web.uvic.ca/calendar/FACS/UnIn/UARe/index.html>). Students who do not attend classes must not assume that they have been dropped from a course by a department or an instructor. Courses that are not formally dropped will be given a failing grade, students may be required to withdraw, and will be required to pay the tuition fee for the course.

An instructor may refuse a student admission to a lecture or laboratory because of lateness, misconduct, inattention or failure to meet the responsibilities of the course. Students who neglect their academic work, including assignments, may be refused permission to write the final examination in a course. Instructors must inform students at the beginning of term, in writing, of the minimum attendance required at lectures and in laboratories in order to qualify to write examinations.

Students who are absent because of illness, an accident or family affliction should report to their instructors upon their return to classes.

#### Term Assignments and Debarment from Examinations:

In some courses students may be assigned a final grade of N or debarred from writing final examinations if the required term work has not been completed to the satisfaction of the department. Instructors in such courses must advise students of the standard required in term assignments and the circumstances under which they will be assigned a final grade of N or debarred from examinations.

#### Grading:

Passing Grades	Description
A+ A A-	<b>Exceptional, outstanding and excellent</b> performance. These grades indicate a student who is self-initiating, exceeds expectation and has an insightful grasp of the subject matter.
B+ B B-	<b>Very good, good and solid</b> performance. These grades indicate a good grasp of the subject matter or excellent grasp in one area balanced with satisfactory grasp in the other area.
C+ C	<b>Satisfactory, or minimally satisfactory.</b> These grades indicate a satisfactory performance and knowledge of the subject matter.
D	<b>Marginal</b> Performance. A student receiving this grade demonstrated a superficial grasp of the subject matter.
Failing Grades	Description
F	<b>Unsatisfactory</b> performance. Wrote final examination and completed course requirements.
N	<b>Did not</b> write examination or complete course requirements by the end of the term.

Course letter grade - numerical score (%) equivalencies used in the Department are as follows:

A+	A	A-	B+	B	B-	C+	C	D	F
90-100	85-89	80-84	75-79	70-74	65-69	60-64	55-59	50-54	0-49

#### Late assignments:

Late assignments will not be accepted unless prior arrangement has been made with the course instructor.

**Academic Concession for work that will be completed before course grades are submitted by the instructor.**

A student whose academic performance is affected by injury, family or personal affliction, or illness should immediately consult with University Counselling Services, University Health Services, or another health professional, and may request, directly from the course instructor, deferral or substitution of a mid-term test or examination, or of other work which is due during the term. This request must be accompanied by supporting documentation from the health professional and must specifically cover the date of the missed examination or assignment deadline. It should normally be dated on or before the exam/deadline date and be submitted to the instructor within 10 days of this date.

All work for which a Concession is approved must be completed before course grades are submitted by the instructor.

If the request for deferral or substitution of term work is denied, a student may appeal as described under [Appeals](http://web.uvic.ca/calendar/FACS/UnIn/UARe/Appe.html) (<http://web.uvic.ca/calendar/FACS/UnIn/UARe/Appe.html>).

If make-up tests are assigned, they will be scheduled by the Department on Friday afternoons at 2:30 p.m. Students must be registered for these tests by their instructors in order to be permitted to take them.

**Academic Concession for work that will be completed after course grades are submitted by the instructor.**

In the event of a missed final examination, or submission of an assignment after grades are submitted by the instructor, students must submit a Request for Academic Concession (RAC) to Undergraduate Records with the required official documentation from a health professional within 10 working days of the end of the examination period. The RAC form is available on the Undergraduate Records website (<http://registrar.uvic.ca/undergrad/records/forms/forms.html>).

**Travel Plans**

Students are advised not to make work or travel plans until after the examination timetable has been finalized. Students who wish to finalize their travel plans at an earlier date should book flights that depart after the end of the examination period. There will be no special accommodation if travel plans conflict with the examination.

**Students with a Disability**

The University aims to provide equal opportunities and access for all students to enjoy the benefits and privileges of its classes and curriculum and to meet the syllabus requirements. Reasonable and appropriate accommodation will be made available to students with documented disabilities (physical, mental, learning) in order to give them the opportunity to successfully meet the essential requirements of a course. The accommodation will not alter academic standards or learning outcomes, although the student may be allowed to demonstrate knowledge and skills in a different way.

Students with disabilities seeking academic accommodation are expected to contact the [Resource Centre for Students with a Disability](http://rcsd.uvic.ca/) (<http://rcsd.uvic.ca/>) as early as possible to avoid a delay in service, to initiate the process of determining and arranging appropriate academic accommodation in individual situations.

In order to receive course-based and exam-based accommodations, instructors must be notified of student needs. For example, if a student requires additional time on exams, assistance with note-taking or a substitute assignment, the instructor needs to be informed.

At the start of each academic term, students fill in a [Memo to Professors Form](#) and hand it in to the RCSD. Only instructors listed on the request form will receive a copy of this memo. The memo confirms that the student is registered with the RCSD and lists the accommodations to which the student is entitled and has requested. It is the student's responsibility to introduce themselves to their instructors to discuss the contents of the memo and make any necessary arrangements to receive accommodations.

The memo's collection, protection, retention and disclosure is governed by provisions of the B.C. Freedom of Information and Protection of Privacy Act.

**Policy on Inclusivity and Diversity**

The University of Victoria is committed to promoting, providing and protecting a positive, supportive and safe learning and working environment for all its members.