

ECON 2G03/2X03 – C01: INTERMEDIATE MICROECONOMICS I /APPLIED BUSINESS ECONOMICS

Fall 2018

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Office : KTH 420

Office Hours: Tuesday 3: 00 pm - 4: 00 pm & Wednesday 2: 30 pm -3: 30 pm

Lecture: Monday & Thursday 12:30 pm - 1:20 pm; Tuesday 1:30 pm - 2:20 pm in BSB B136

TA: TBA

TA Email: TBA

TA Office: TBA

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COURSE DESCRIPTION

In this course we will develop tools and methods of microeconomic analysis beyond those introduced in Introductory Microeconomics. We will examine demand and supply, theory of firm and production, price and output determination under competition, monopoly and other market structures, and market power analysis. The theoretical presentation of the material will be complemented with graphical illustrations and numerical examples.

PREREQUISITES

ECON 1B03 (or ARTSSCI 2E03); and credit or registration in one of MATH 1F03, 1M03, Grade 12 Calculus and Vectors U (or Grade 12 Advanced Functions and Introductory Calculus U) or equivalent. Completion of one of these mathematics courses is strongly recommended prior to registration in ECON 2G03. Antirequisite(s): ECON 2X03

COURSE OBJECTIVES

By the end of the course students should be able to:

- apply elements of microeconomic theory to understand how producers make rational decisions
- explain the fundamental features of several market structures
- apply theoretical understanding to problems of production and costs
- use applied economic techniques to analyze conceptual problems

COURSE MATERIALS AND TEXTS

- Pindyck, Robert S. and Daniel L. Rubinfeld, **Microeconomics**, 9th edition, published by Pearson/Prentice Hall, 2018.
- Supplements: MyLab (Optional)

AVENUE TO LEARN

Course materials (e.g. lecture slides, announcements, assignments, etc.) will be posted on the Avenue to Learn website <http://avenue.mcmaster.ca>

The Avenue site is down occasionally. Save the course materials to your computer as soon as they are posted. You are responsible for making yourself aware of any changes made to the course by checking Avenue daily.

Students should be aware that, when they access the electronic components of this course, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in this course will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

COURSE EVALUATION – OVERVIEW

1. Group Assignments (2) - 10%
2. Midterm I - 25%
3. Midterm II - 25%
4. Final Exam - 40%

COURSE EVALUATION – DETAILS

Group Assignments (10%)

There will be two group assignments. Assignments and due dates will be posted on Avenue.

Midterm I (25%), October 2nd, 2018 (Tuesday) during class time

Midterm II (25%), November 6th, 2018 (Tuesday) during class time

No make-up midterm and **No early writes** are provided. The format for the midterm exam will be multiple-choice questions. Midterm 2 is not cumulative. Coverage of the midterms will depend on the pace of the class to that point in the term. Midterm marks will be posted on Avenue.

Final Exam (40%)

The format for the final exam will be multiple-choice questions. Final exam is cumulative. Only the Registrar's Office can issue final grades. Please visit the following website for details:

<http://registrar.mcmaster.ca/exams/requirements/>

Please note: travel plans are NOT a sufficient reason to have a final exam deferred.

The Deferred Exam Policy is listed on the following website at:

<http://registrar.mcmaster.ca/exams/deferred/>

TUTORIALS

Tuesday 9:30 am - 10:20 am in MDCL 1309

COURSE POLICIES

Grades

Grades will be based on the McMaster University grading scale:

MARK	GRADE
90-100	A+
85-90	A
80-84	A-
77-79	B+
73-76	B
70-72	B-
67-69	C+
63-66	C
60-62	C-
57-59	D+
53-56	D
50-52	D-
0-49	F

Grade Adjustment Techniques

Combination of particular distribution and absolute measures will be used to determine the course grades. The university grading system will be relied on as benchmark.

Submission of Assignments

The assignments can be written either alone or in a group of four students (maximum). If writing the assignments in a group, each group can only submit **one copy** of assignment. The submitted assignment must contain a title page with every member's full name and student ID number **clearly print** on it. Assignments will be due in class.

Late Assignments

No late assignments are accepted.

Absences, Missed Work, Illness (MSAF)

Please note the MSAF regulations have changed beginning Spring/Summer 2015. The timeframe within which the MSAF is valid has been reduced from 5 days to 3 days.

- The upper limit for when an MSAF can be submitted has been reduced from 'less than 30%' to 'less than 25%' of the course weight (i.e., 24% and less)
- The 'one MSAF per term' limit is retained.

<https://socialsciences.mcmaster.ca/current-students/absence-form>

You cannot use the MSAF reporting system for a missed midterm as it is worth 25% toward your final grade. In the event that a student is unable to write the midterm on the scheduled date, a medical certificate should be submitted within 5 days. With valid documentation, the 25% of total course grade from the missed mid-term will be re-assigned to the final examination. In the absence of valid documentation, a grade of zero will be assigned for the missed mid-term exam.

Calculators

Use of Casio FX-991 MS or MS Plus calculator only is allowed.

UNIVERSITY POLICIES

Academic Integrity Statement

You are expected to exhibit honesty and use ethical behavior in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behavior can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: "Grade of F assigned for academic dishonesty"), and/or suspension or expulsion from the university.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](#).

The following illustrates only three forms of academic dishonesty:

1. Plagiarism, e.g. the submission of work that is not one's own or for which credit has been obtained.
2. Improper collaboration in group work.
3. Copying or using unauthorized aids in tests and examinations.

Academic Accommodation of Students with Disabilities

Students who require academic accommodation must contact Student Accessibility Services (SAS) to make arrangements. Academic accommodations must be arranged before classes or academic work begins, and for each term of study. Student Accessibility Services can be contacted by phone 905-525-9140 ext. 28652 or e-mail sas@mcmaster.ca. For further information, consult McMaster University's Policy for [Academic Accommodation of Students with Disabilities](#).

Academic Accommodation for Religious, Indigenous and Spiritual Observances

Students who require academic accommodation due to an Observance must submit a RISO form to their Faculty office, electronically or in person, normally within ten working days from the beginning of each term in which they are anticipating a need for Accommodation. For further information, consult McMaster University's [Policy on Academic Accommodation for Religious, Indigenous and Spiritual Observances](#).

Faculty of Social Sciences E-mail Communication Policy

Effective September 1, 2010, it is the policy of the Faculty of Social Sciences that all e-mail communication sent from students to instructors (including TAs), and from students to staff, must originate from the student's own McMaster University e-mail account. This policy protects confidentiality and confirms the identity of the student. It is the student's responsibility to ensure that communication is sent to the university from a McMaster account. If an instructor becomes

aware that a communication has come from an alternate address, the instructor may not reply at his or her discretion.

Put “ECON 2G03” or “Econ2X03” in the subject line and include your full name and student ID in the message. Please do **not** use the mail function within Avenue.

Course Modification

The instructor and university reserve the right to modify elements of the course during the term. The university may change the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check his/her McMaster email and course websites weekly during the term and to note any changes.

COURSE SCHEDULE

Date	Topic	Chapter
Sept. 4 - 10	Introduction & the Basics of Supply and Demand	Ch. 2: 2.1 to 2.5, 2.7
Sept. 11 - 17	Production	Ch. 6
Sept. 18 - 25	The Cost of Production	Ch. 7: 7.1 to 7.5
Sept. 27; Oct. 1	Review	
Oct. 2	Midterm I	
Oct. 4	Midterm I Review	
Oct. 8-14	Midterm Recess: No classes	
Oct. 15 - 18	Profit Maximization and Competitive Supply	Ch. 8
Oct. 22 - 25	The Analysis of Competitive Markets	Ch. 9: 9.1 to 9.4, 9.6
Oct. 29 -Nov. 1	Market Power: Monopoly & Monopsony	Ch. 10: 10.1 to 10.6
Nov. 5	Review	
Nov. 6	Midterm II	
Nov. 8	Midterm II Review	
Nov. 12-15	Pricing with Market Power	Ch. 11: 11.1 to 11.4
Nov. 19-22	Monopolistic Competition and Oligopoly	Ch. 12
Nov. 26-29	Game Theory and Competitive Strategy	Ch. 13
Dec. 3 - 4	Remainder/Review	Ch. 14 (if time allows)

OTHER NOTES

Electronic Device Policy

Cell phones must be turned off or muted for the duration of the lecture. Laptop/tablet may only be used to view lecture material.

Attendance Policy

Class attendance is an integral part of your educational experience. It is an important factor in ensuring your complete understanding of the material presented. You are responsible for all material presented in the scheduled lecture periods whether you choose to attend lectures or not.

Students Writing with SAS

Students registered with SAS must book time to write the midterm tests with SAS. **You may only write on the same day as the rest of the class.** Tests written on any other day will not be accepted and a grade of zero will be assigned.

Classroom Protocols

The highest level of courtesy and professional behaviour are expected from every student. In particular, be punctual and turn off all audible ringers on all devices during class. As a courtesy to the custodial staff, if you have coffee, water, etc., please dispose of your garbage when you leave the classroom.