

McMaster University, Department of Economics

ECON 2Z03 - Intermediate Microeconomics I

Fall 2019

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Course Outline

- **Instructor:** Anastasios Papanastasiou, Ph.D.
- **Office:** KTH 434
- **Office hours:** Monday & Wednesday, 2-3pm
- **Lectures:**
 - Section C01: Mo, We, Th; 13:30-14:20; T13 123 (PGCLL 124 when construction is complete)
 - Section C02: Mo, We, Th; 16:30-17:20; CNH B107
- **Tutorials:** Section C01: Wed, 15:30-16:20, CNH B107; Section C02: Tue, 10:30-11:20, CNH B107
- **Office Phone:** 905-525-9140, ext. 24593
- **e-mail:** papanasa@mcmaster.ca
 - Please use your *McMaster email account* and include the course number in your emails. Please do not use the email function within Avenue.

It is your responsibility as a student to be aware of and to abide by the University's policies regarding academic misconduct, e-mail communication, maintaining copies of out-of-class assignments, what to do when you cannot meet a course requirement and the drop date for this semester. To better understand these policies, visit: <https://www.mcmaster.ca/policy/Students-AcademicStudies/AcademicIntegrity.pdf> and <http://academiccalendars.romcmaster.ca/index.php>.

Course Description

Econ 2Z03 is an introduction to modelling the behavior of producers and consumers in perfectly competitive and monopolistic markets. The theoretical exposition is complemented with schematic and real-world examples. We will be taking a critical view of our models' applications, identifying limitations and discussing possible extensions. The primary goal is to get you thinking like an economist!

Prerequisites

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

Class Format

The lecture presentations will include handwritten notes and slides. You are encouraged to take notes during the lectures, but your primary focus should be understanding the lecture material - this will minimize the amount of time you have to study at home to do well in the course. Although in-class participation is not part of the formal evaluation, you are strongly encouraged to participate in our discussions during the lectures, and much of the focus of the lectures, and consequently the focus of the exams, will be based on questions raised and concepts that were given special emphasis in class. You are responsible for all material presented in the lectures whether you choose to attend lectures or not.

Course Objectives

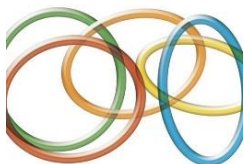
By the end of the course students should be able to:

- Use microeconomic theory to explain producer decision making given the structure of the market
- Use microeconomic theory to explain how consumers make rational decisions given their preferences and income
- Describe the fundamental features of two market structures: perfect competition and monopoly
- Use basic calculus to solve optimization problems faced by economic agents
- Apply the optimization techniques for producer and consumer behavior to general problems involving benefits and cost towards analyzing microeconomic phenomena and evaluating economic policy.

Course Materials and Texts

- Pindyck, Robert S. and Daniel L. Rubinfeld, **Microeconomics**, 9th edition, published by Pearson/Prentice Hall, 2018.

MICROECONOMICS
ROBERT S. PINDYCK DANIEL L. RUBINFELD
NINTH EDITION



 Pearson

- Supplements: MyLab (Optional)

Avenue to Learn

Lecture slides and additional material will be distributed through the Avenue-to-Learn (A2L) website for our course. The course will appear in your A2L homepage a few days after you've registered for the course in Mosaic, but not before the beginning of the academic semester. You are responsible for monitoring the "Announcements" tab in Avenue **on a daily basis**, as well as the "Content" tab. You are also responsible for using A2L to submit your assignments before the posted deadlines. Be sure to regularly check your A2L "Calendar" and the reminders given out under "Announcements" to plan ahead accordingly.

Course Requirements

Component	Date	Weight (% of final grade)
Group Assignments (2)	TBA	10%
Midterm 1	Oct 2, 4:30-5:30	25%
Midterm 2	Nov 6, 4:30-5:30	25%
<i>Total Term Work</i>		60%
Final Exam	TBA	40%

Course Evaluation - Details

- Group Assignments: There will be two group assignments. Assignments and due dates will be posted on A2L.
- Midterms: Test locations will be posted on avenue. The format of the midterms will include multiple choice questions as well as short answer questions. Coverage of the midterms will depend on the pace of the class to that point in the term. No make-up exams and no early writes are provided. Midterm grades will be posted on Avenue.
- Final Exam: The format of the final exam will be similar to the format of the midterms. The final exam will be **cumulative**. Your final grades will be released by the Registrar's office. Please visit here for details. The Deferred Exam Policy can be found here

Important Notes:

1. If your performance on the final exam is better than your term work average, the weights will be shifted to 40% for term work and 60% for the final examination.
 - **Warning** : Do not become complacent because of this opportunity. Falling behind makes it difficult to do well at all in the course.
2. It is your responsibility to check the Avenue-to-Learn website on a daily basis to keep up with the course (news announcements, lecture slides, deadlines for assignments etc.)
3. The final exam will be comprehensive and based on the entire course.
4. You are strongly encouraged to participate in the lectures.
5. While there is no golden rule, if you are pursuing an A+ in this course you might find the following recommendations useful:
 - a. Attend all lectures. Doing so will help you economize on self-study time and prepare for the exams: If a concept was not discussed in class, it will not be in the exams!
 - b. Read **and work through** the models and applications that we do in class and everything that is posted on **Avenue-to-Learn**.

- c. Keep up with the lectures. Catch up if you miss a lecture or a homework assignment as soon as possible and monitor the course on Avenue on a daily basis. Do not postpone studying until the exam period!

Course Policies

- **Grades Scale:** Based on McMaster University scale: for more information, please visit <https://registrar.mcmaster.ca/exams/grades/>
- **Submission of Assignments:** The assignments can be written either alone or in a group of no more than four students. 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**. Hard copies of your assignments will be due in class. **No** late assignments are accepted.
- **Missing Assignments or Tests:** There are no alternative dates to write the exams and 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)
 - Since the weight of the midterms is 25%, students who miss a midterm are directed to take their documentation to their faculty's associate dean's office. They will be given permission to use a "special" MSAF where they can correctly fill in the weight of the missed test.
 - Once I receive the MSAF with the correct weights the weight of the missed midterm will be shifted to the final examination.
- **Where to Get Help:** If you find that your difficulties in this course are too great you are encouraged to discuss them with the instructor as early in the semester as possible. If something is unclear, ask for clarification in advance not just the day before the exam!

University Policies

- **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.
- **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.
- **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.

- **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 email 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.
- **Requests for Relief for Missed Academic Term Work:** In the event of an absence for medical or other reasons, students should review and follow the Academic Regulation in the Undergraduate Calendar "Requests for Relief for Missed Academic Term Work".
- **Extreme Circumstances:** The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, A2L and/or McMaster email.

Course Content

Week	Topic	Chapter in text
1	Introduction: The Basics of Supply and Demand	Ch.2: 2.1-2.5, 2.7
2,3	Consumer Behavior	Ch. 3: 3.1-3.5
3,4	Individual and Market Demand	Ch.4: 4.1-4.5
5	Review and Midterm I	
5,6	Uncertainty and Consumer Behavior	Ch.5: 5.1-5.3
7	Midterm Recess: No classes	
8	Production	Ch. 6
8,9	The Cost of Production	Ch.7: 7.1-7.5
10	Review and Midterm II	
11	Profit Maximization and Competitive Supply	Ch.8
11,12	The Analysis of Competitive Markets	Ch.9: 9.1-9.4, 9.6
12,13	Market Power: Monopoly and Monopsony	Ch.10: 10.1-10.6
13,14	Pricing with Market Power	11.1-11.4
14	Review	

Other Notes

- **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 behavior is expected from every student. 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.