

# McMaster University, Department of Economics

## ECON 2Z03 - Intermediate Microeconomics I

Fall 2021

### Course Outline

- **Instructor:** Rumén Kostadinov
- **Office hours:** Virtual on Zoom; TBA
- **Lectures:** All lectures will be prerecorded and uploaded to the Avenue webpage.
- **Tutorial:** You can register in one of two tutorials. T05 runs in person Monday 11:30-12:20. T02 is virtual and takes place on Monday 14:30-15:20. In addition, recordings of the T02 tutorial will be made available.
- **e-mail:** kostadir@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

## Course Objectives

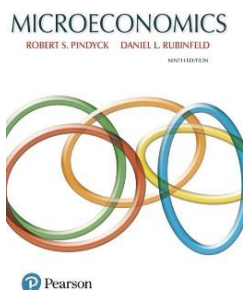
By the end of the course students should be able to:

- 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

The course will follow a set of lecture notes posted on Avenue. The notes are self-contained. They follow the following textbook:

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



## Course Content

The following is a rough guide. In practice, the schedule will fluctuate a bit.

Week	Topic	Chapter in textbook
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	
6	Midterm Recess: No classes	
7	Uncertainty and Consumer Behavior	Ch.5: 5.1-5.3
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	

## Class Format

Lectures will use slides posted on the Avenue webpage. 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. Lecture notes provide detailed explanations of the material from the slides.

The exams will be entirely based on the material in the lecture notes. If you understand the material from the lecture notes, you will not need the textbook. However, you may consult the textbook for additional economic examples to enhance your understanding. Keep in mind that the notes cover some topics in greater detail than the textbook.

## 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)
Midterm 1	October 7 (Thursday of week 5), 11:30-12:30	30%
Midterm 2	November 11 (Thursday of week 10), 11:30-12:30	30%
<i>Total Term Work</i>		<b>60%</b>
Final Exam	TBA	<b>40%</b>

## Course Evaluation - Details

- Midterms: The format of the midterms is multiple choice questions administered on Avenue as a quiz. It is your responsibility to inform the lecturer of any timetable conflicts *within the first week of classes*. No make-up exams are provided. Midterm grades will be posted on Avenue.
- Final Exam: The final exam will be 105 minutes long and otherwise have a format similar to 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. Attempt the tutorial questions before watching the tutorials. Do not be tempted to look at solutions until you have tried the questions.
4. Take advantage of the lecturer and TA' office hours to clear up confusion as early as possible.
5. The final exam will be comprehensive and based on the entire course.

6. 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.

## Course Policies

- **Grades Scale:** Based on McMaster University scale: for more information, please visit <https://registrar.mcmaster.ca/exams/grades/>
- **Calculators:** Use of Casio FX-991 MS or MS Plus calculator only is allowed.
- **Missing Tests:** There are no alternative dates to write the exams.
- **Absences, Missed Work, Illness (MSAF):** Please note the current MSAF regulations:
  - The timeframe within which the MSAF is valid is 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 30%, 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 Integrity:** You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity. It is your responsibility to understand what constitutes academic dishonesty.

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 behaviour 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. For information on the various types of academic dishonesty please refer to the Academic Integrity Policy, located at <https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/>.

The following illustrates only three forms of academic dishonesty:

- plagiarism, e.g. the submission of work that is not one’s own or for which other credit has been obtained
  - improper collaboration in group work
  - copying or using unauthorized aids in tests and examinations
- **Courses with an on-line element** Some courses may use on-line elements (e.g. e-mail, Avenue to Learn (A2L), LearnLink, web pages, capa, Moodle, ThinkingCap, etc.). Students should be aware that, when they access the electronic components of a course using these elements, 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 a course that uses on-line elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

- **Conduct Expectations:** As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the Code of Student Rights & Responsibilities (the “Code”). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, whether in person or online. It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue 2 Learn, WebEx or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students’ access to these platforms.
- **Academic Accommodation for Religious, Indigenous and Spiritual Observances:** Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the RISO policy. Students should submit their request to their Faculty Office normally within 10 working days of the beginning of term in which they anticipate a need for accommodation or to the Registrar’s Office prior to their examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.
- **Academic Accommodation of Students with Disabilities:** Students with disabilities who require academic accommodation must contact Student Accessibility Services (SAS) at 905-525-9140 ext. 28652 or sas@mcmaster.ca to make arrangements with a Program Coordinator. For further information, consult McMaster University’s Academic Accommodation of Students with Disabilities policy.
- **Copyright and Recording** Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, including lectures by University instructors.

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image may be recorded by others during the class. Please speak with the instructor if this is a concern for you.

- **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.
- **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.