

# Microeconomic Analysis & Applications

## ECON208 (Section 001)

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McGill University  
Fall 2019

### Course description and objectives

The course aims to introduce students to some basic economic principles and to show them how they can be applied. The course will examine the choices that individuals and firms face, how different market structures respond to these choices, and when/how/why government intervention may or may not be desirable for society as a whole. At each stage some theory will be presented and then it will be used for a variety of applications. The course assumes that the student has no prior knowledge of economics.

**Study Hints:** I strongly recommend that you keep up with the readings as the lectures progress - don't leave them until exam time, it is very easy to get behind, and difficult to catch up when you do. Economic reasoning builds upon itself, so you need to understand each part as we go along. Lectures and conferences are very important. Lecture notes will be posted on the MyCourses web site. Answers to conference questions will not.

**Math requirements:** A working knowledge of arithmetic and a small amount of basic algebra should be enough.

### Administrative Issues

3 credits

2 lectures per week, Tue and Thu 4:05pm-5:25pm in ADAMS AUD

#### Contact:

course email: [e208fall2019@gmail.com](mailto:e208fall2019@gmail.com)

quiz email: [e208fall2019quizz@gmail.com](mailto:e208fall2019quizz@gmail.com)

my email: [mayssun.el-attarvilalta@mcgill.ca](mailto:mayssun.el-attarvilalta@mcgill.ca)

office hours : Tue and Thu: 2:30-3:30pm in Leacock 320

Note: If you can't make my office hours because of your course schedule, email a request to arrange a mutually convenient time and include (i) your weekly schedule and (ii) a brief explanation of what you need to talk about.

### Text and learning tools:

- The **textbook** for this course is *Microeconomics* (16th Canadian Edition) by Ragan, published by Pearson Education Canada. Available at *Paragraphe* bookstore on McGill College Avenue.
- The text comes with access to an online site **MyEconLab**, at [www.myeconlab.com](http://www.myeconlab.com), where you will find (i) explanations for a selection of end-of-chapter text exercises/questions, (ii) some short practice quizzes, (iii) sections on the Additional Topics referred to in the text, and more. When using **MyEconLab** you will be asked for the course name ('Econ208 Fall 2019 Section 1') and Course ID (el-attar89075).
- You may find the associated **Study Guide** (by Dickinson & Indart, 14th edition) useful; working through this study guide will considerably help your understanding of the material. It contains useful study hints and lots of practice questions and answers (with explanations). It includes multiple-choice questions, short-answer questions and longer exercises to help understand the material. Note that the page numbers and chapter numbers do not necessarily mirror those of the texts 16th edition. You can find the **Study Guide** on reserve in the library.
- There will also be some readings supplementary to the textbook. These will be made available electronically (on the course's **mycourses** page) at the appropriate time.

In addition, continuous class attendance is strongly encouraged. Any points raised in class can end up in the examinations.



Figure 1: Textbook and study guide

**Conferences and Office Hours hold by TAs:** TAs will hold weekly conferences. In these sessions, they will be available to answer your questions, help you to review the course material, and to help you solve problems and exercises. I strongly advise you to attend. There will be several conference sessions of one hour every week.

You do NOT need to register for these conferences. The purpose of the conferences is to go over practical exercises and discussion questions. The TAs will also be prepared to address other material from class or from the textbook.

The TAs will also hold office hours every week.

Conferences and office hours are expected to start in the 3rd week of the semester (September 16th). Conference rooms and times will be posted on MyCourses.

**Answering questions by email:** For any questions about the course, email [e208fall2019@gmail.com](mailto:e208fall2019@gmail.com). The TAs and I will be answering questions sent to this email address.

**Grading:** There will be one midterm worth 30% of your course grade, take-home quizzes worth 5% and a 3-hour final scheduled by the Faculty of Arts in December, which will be worth 65% of your course grade.

**Missed Midterm:** If you must miss the mid-term for justifiable reasons, the final will be 100% of the course mark. Alternatively, within one week either side of the midterm, you can personally and explicitly request a deferred midterm and maintain the 30%/65% weighting on the midterm and final. This deferred midterm will be held in the March break of the Winter 2020 semester.

Please note that the options for a 100% final or a deferred midterm are available **ONLY** if you miss the midterm for justifiable reasons as determined by me (the instructor) and subject to written confirmation deemed acceptable by me. If you miss the mid-term without my approval you get a mark of zero for it.

Under no circumstances will you be allowed to present additional work to increase your grade in the course.

Supplemental Exam (worth 100%), Deferred Exam (will replace the final exam and have the same weight as the final exam.) The format and coverage of both these exams will also be as for the final exam.

Anticipated date & time for the midterm: Tuesday October 22, in class.

**Take-Home Quizzes:** To encourage you to keep up with the material covered in class, I will periodically post quizzes on MyCourses. In each case, you will have a few days or a weekend to complete the quiz.

The quizzes will contain different types of questions, which will all be related to topics seen in previous classes, to additional readings or to questions arising during class. The points obtained on these quizzes will account for 5% of your final grade.

It is strictly forbidden to participate using someone else's account. If you are discovered doing this, then both you and the other person will receive an F. If you see a classmate doing this, please bring it to my attention immediately.

**Contacting me:** While I try to respond to emails sooner or later, the average time for me to respond is about five working days (i.e., excluding holidays). But there is no guarantee that I will respond to all emails: I usually do not respond to emails with questions that should have been asked in the class or in the conferences (especially if other students in the class can also benefit from the questions and the answers) and questions related to info which is already on myCourses. I especially do not respond to emails about the info that is in the syllabus.

In case of absence at the final exam for medical reasons, please refer to the University Regulations Concerning Final Examinations. Note: According to Senate regulations, instructors are not permitted to make special arrangements for final exams. Please consult the Calendar, section 4.7.2.1, General University Information and Regulations at [www.mcgill.ca](http://www.mcgill.ca). Also note: In accord with McGill University's Charter of Students' Rights, students in this course have the right to submit in English or in French any written work that is to be graded. Finally: In the event of extraordinary circumstances beyond the University's control, the content and/or evaluation scheme in this course is subject to change.

**MyCourses:** You should regularly check the **myCourses** page for announcements, up-to-date information, additional readings, conference topics, and other items to assist you in the course. Through this web page you will also be able to ask questions and receive answers from your fellow students in the course.

**Academic Integrity:** Cheating is bad, everywhere and always. It is your responsibility to understand what is meant by “cheating” at McGill, and thus what behaviour is unacceptable. I am required to have the following statement on the course outline, in both official languages:

McGill University values academic integrity. Therefore all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the code of student conduct and disciplinary procedures (see <http://www.mcgill.ca/integrity/> for more information).

L’université McGill attache une haute importance à l’honnêteté académique. Il incombe par conséquent à tous les étudiants de comprendre ce que l’on entend par tricherie, plagiat et autres infractions académiques, ainsi que les conséquences que peuvent avoir de telles actions, selon le Code de conduite de l’étudiant et des procédures disciplinaires (pour de plus amples renseignements, veuillez consulter le site <http://www.mcgill.ca/integrity>).

## Course Outline

Due to time constraints, it is possible that some topics will not be covered or some topics added. I maintain discretion regarding changes in this outline. Any changes will be announced in class and/or on *mycourses*.

1. The basics
  - A. Fundamental concepts and approach (Weeks 1 and 2. Chaps. 1 and 2)
  - B. Competitive Markets (Weeks 2 to 4. Chaps. 3 to 5)
    - Market demand, supply and price
    - Elasticity of demand and supply
    - Applications and competitive market efficiency
2. Consumers and producers
  - A. The consumer side of markets (Weeks 5 and 6. Chap. 6)
    - Utility maximization and consumer choice
    - Income and substitution effects
    - Consumer surplus and value
  - B. The producer side of markets (Weeks 6 and 7. Chaps. 7 and 8)
    - Production and costs in the short run
    - Production, costs and technology in the long run
  - C. Market structures and economic efficiency (Weeks 8 and 10. Chaps. 9 to 12)
    - The perfect competition extreme
    - The monopoly extreme, cartels and price discrimination
    - Between the extremes and strategic behaviour
    - Economic efficiency and government policy
3. Factor Markets: Labour markets (Week 11. Chap. 14)
4. Government Intervention (Week 12. Chaps. 16)
  - Market failures
5. International Trade (Week 13. Chaps. 33 and 34)
  - Specialization and gains from trade
  - Trade policy