Econ208: Microeconomic Analysis & Applications (Section 003)

Tuesday & Thursday, 10:05 – 11:25
Leacock 26

Professor: Paul Dickinson  paul.dickinson@mcgill.ca
Fall 2018

A: Course Content

This 3-credit Microeconomics course focuses on the behaviour of individual economic units (individual markets, individual consumers, and individual firms). It examines the choices that consumers 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 you will do some theory and then use it for a variety of applications. I hope you will be surprised to find that some things you think seem obvious in everyday life turn out to be anything but! The course assumes you have no prior knowledge of economics.

Do the readings in a timely manner as the lectures progress. Economic reasoning builds upon itself, so you need to understand each part as we go along. If you must miss a lecture or conference, arrange a 'buddy system' so you can use the notes of someone who does attend. Some examinable material covered in lectures will not be in the text. Lecture notes will not be posted on the myCourses web site.

B: Text & Learning Tools

The text is *Microeconomics, 15th Canadian Edition*, by Ragan (published by Person Canada) available from Paragraphe bookstore, 2220 McGill College Avenue. [**Make sure you get the MICRO version, not the Macro.**]

The text comes with access to an online site (MyEconLab), 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.

Also available is the Study Guide to the 14th edition of the text (by Dickinson & Indart) which has brief summaries of chapter topics, 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.

A very important learning tool is the Econ208-003 site on myCourses. You should check it regularly and often for course announcements, additional readings and non-text lecture content, conference sheets (see below), and other items to assist you in the course. Use the ‘Discussions’ section to ask questions of and receive answers from your fellow students. Your questions may be administrative (“Can anyone help me with lecture notes from ……?”) or explanatory (Can someone please explain what is meant by ……?”). Fellow students almost always respond to help you.

C: Contacting Me

My office hours during semester weeks (Wednesdays 11:30-1:20) will be in Leacock 516. If you can’t make my office hours because of your course schedule, email a request (paul.dickinson@mcgill.ca) to arrange a mutually convenient time and include (i) your weekly schedule and (ii) a brief explanation of what you need to talk about. Use email, not the ‘phone.

D: Conferences

My Teaching Assistants and your Conference Leaders hold weekly ‘conferences’. These are small-group seminars to help you understand and answer questions in ‘Conference Sheets’ which I post on myCourses each week. What goes on in conferences will give you a better understanding of the lecture/text material and its applications. The About Conferences document explains these in greater detail. Conference times and locations, as well as your Conference Leader’s office hours, will be posted on myCourses shortly after the start of semester.
E: Grading/Examinations/Conduct
The mid-term exam, scheduled for Thursday October 18 in the usual lecture time slot and room, is worth 30% of the course mark. A cumulative 3-hour final worth 70% is held during the final examination period as determined by the Faculty of Arts. If your individual performance on the final is better than on the midterm the weightings will be changed from 30%/70% to 20%/80%. It is anticipated that the exams will be multiple-choice, though I reserve the right to include some short-answer questions at my discretion. They are "closed book" examinations - no texts, notes, cell phones or electronic memory devices allowed. The course grades may be curved at my discretion.

If you miss the mid-term for justifiable reasons (as determined by the instructor and subject to confirmation acceptable to the instructor) there are two options; you can have the final count as 100% of the course, or you can sit a deferred mid-term in McGill’s Study Break in the first week of March 2019. Students missing the mid-term without justifiable reason approved by the instructor will get a mark of zero for that exam and will not be eligible for a deferred mid-term.

Regulations require/recommend that you be reminded of the following:
1. 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 www.mcgill.ca/students/srr/honest
2. 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.
3. 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. (Note: Not applicable to multiple-choice exams)
4. If you have a disability please contact the instructor to arrange a time to discuss your situation. It would be helpful if you contact the Office for Students with Disabilities at 514-398-6009 before you do this.

Text Packages and Prices
The following print packages are available at Paragraphe bookstore.

- $159.95 for a bound version of the Ragan 15th edition text with MyEconLab
- $169.95 for a package containing a bound Ragan 15th edition text with MyEconLab, and 14th edition Study Guide
- $45.0 for the 14th edition Study Guide.
- $110 for the loose-leaf Ragan 15th edition text with MyEconLab
- $125 for a package with a loose-leaf Ragan 15th edition text with MyEconLab, and with 14th edition Study Guide
- $95 for MyEconLab without printed text but with a FREE printed study guide. Expires in 1 year.
  - You can but it at Paragraphe (get SG immediately) or online (SG has to be delivered to you).
  - BE CAREFUL: There’s a website operated by Vital Source offering the e-text for $78 – but that is US$! If you buy it you will pay more in Canadian $ that buying the MyEconLab and get less! There’s none of the other contents of MyEconLab, no free SG, and it expires in only 180 days.

Note that the difference between the $95 MyEconLab and the $125 loose-leaf package is $30, for which you get the printed text too. Because economics “builds upon itself” you’ll often need to return to previous pages for a refresher. I find this much easier with a print copy than with e-text showing only one page at a time. You may have a different opinion.

Professor Paul T. Dickinson
Department of Economics
Reading List

Week numbers are estimates and may change. In addition to references below, associated topics and applications will be on Conference Sheets and made available through the course web site. Some analysis and applications for which there are no set readings will be covered in lectures.

I: THE BASICS
A: Issues and Concepts and Approach
Preface, Chaps. 1 and 2
Weeks 1 & 2

B: Competitive Markets
* Market demand, supply & price
  Chap 3,
* Sensitivity (‘elasticity’) of demand and supply
  Chap 4,
* Market interventions & market efficiency
  Chap 5
Weeks 2, 3 & 4

II: CONSUMERS & PRODUCERS
A: The Consumer Side of Markets
* Utility maximization and consumer choice
  Chap 6, pp. 111-117
* Income & substitution effects
  Chap 6, pp. 117-121
* Value versus price
  Chap 6, pp. 121-125
(Appendix 6 is excluded)
Weeks 5 & 6

B: The Producer Side of Markets
* Production and costs in the short run
  Chap 7
* Production, costs and technology in the long run
  Chap 8 (excluding Appendix)
Weeks 6 & 7

C: Market Structures & Economic Efficiency
* The perfect competition extreme
  Chap 9
* The monopoly extreme, cartels, & price discrimination
  Chap 10
* Between the extremes, strategic behaviour of firms
  Chap 11
* Economic efficiency & government policy (Part 1)
  Chap 12
Weeks 8 & 9

III: INTERVENTION & EFFICIENCY (Part 2)
* Government intervention when markets fail
  Chap 16
* Environmental policies controlling pollution
  Chap 17, pp. 389-400
* Global warming
  Chap 17, pp. 400-409
Weeks 10 & 11

IV: INTERNATIONAL TRADE
* Specialisation and Trade
  Chap 32
* Protectionism
  Chap 33, pp. 800-813
* NAFTA
  Chap 33, pp. 816-819
Weeks 12 & 13

In the event of extraordinary circumstances beyond the University’s control, the content and/or evaluation scheme in this course is subject to change.