

Microeconomic Analysis & Applications

ECON208 (Section 001)

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McGill University
Fall 2020

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, Wed and Fri 10:05am-11:25am, via Zoom. You will find the Zoom link on mycourses.

Note: All times refer to the Montreal time zone.

Contact:

course email: e208fall2020@gmail.com

my email: mayssun.el-attarvilalta@mcgill.ca

office hours: via Zoom, times posted on mycourses

For any matter related to the course, write to the course email.

Course delivery: Lectures will be delivered live on Wednesdays and Fridays, 10:05am-11:25am. Each lecture will be recorded and will be uploaded afterwards to mycourses. Thus, each student who cannot attend the live lecture can watch the recording later on mycourses.

Text and learning tools:

- The **textbook** for this course is *Microeconomics* (16th Canadian Edition) by Ragan, published by Pearson Education Canada.
- The text comes with access to an online site **MyEconLab**, at 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 2020') and Course ID (el-attar56794).
- There will also be some readings supplementary to the textbook. These will be made available electronically (on mycourses) at the appropriate time.
- Lecture recordings will be posted on *mycourses*.

In addition, continuous class attendance is strongly encouraged – be it at the time of class or by watching the recordings. Any points raised in class can end up in the examinations.

Office Hours: TAs will hold weekly office hours. In these sessions, they will be available to answer your questions, help you to review the course material, and help you solve problems and exercises. On mycourses, you will find a Doodle link that will allow you to sign up for a slot. You can then reach the office hours via a Zoom link that you will find on mycourses. You will be in the waiting room until your time slot has come. If not all slots have been taken at 9pm of the evening preceding a session of office hours, you are welcome to sign up for an additional slot if needed. If there are no free slots, please email the course email: e208fall2020@gmail.com.

Answering questions by email: For any questions about the course, email e208fall2020@gmail.com. The TAs and I will be answering questions sent to this email address.

Lecture Recordings: By enrolling in this course, you accept that lectures will be recorded. When attending a lecture “live”, your image, voice, and your name (or preferred name) may be recorded, and your instructor may call your name during the lecture. As such, this personal information will be disclosed to classmates, whether during the lecture or in viewing the recording. By attending a lecture “live”, you consent to being recorded and you accept that personal information of this kind may be disclosed to others, whether during the lecture or when viewing the recording. If you are not comfortable being in a lecture that is recorded, you may decide to not attend “live”. Students who do not attend the live lecture are able to watch the video recording of the lecture later in *mycourses*.

Grading: There will be two midterms each worth 15% of your course grade, 1 opinion letter worth 15% of your course grade, 1 open question exercise worth 15% of your course grade, and a final exam in December (scheduled by McGill), which will be worth 40% of your course grade.

The **midterm exams** will be made available through mycourses at the specified dates (see below) at 9am. You then have 24 hours to log into mycourses and open the exam. Once the exam has been opened, you will have 1 hour to complete the exam. There will be no lecture those days. The midterm exams will be take-home exams, which follow the open-book format. That means that during the exam you will be allowed to consult resources as specified by the instructor, however you are not allowed to communicate with other people about any aspect of the exam.

The **opinion letter** will be a team assignment (2 students per group). In this assignment, your team will be presented with a situation inspired by current events, and a specific question will be asked regarding this situation. You will have to answer the question by writing a short text (300 words, + or - 30 words will be accepted) in the form of an "opinion letter". Your answer should use the economic concepts seen in class. You will not be able to add tables, graphics or images. You must take a clear and unequivocal stand and give detailed explanations of the main arguments and counter-arguments that justify the chosen position. The question will be made available on MyCourses at the specified date (see below) at 9am. You will then have 24 hours to submit your answer. An example of an opinion letter will be posted on MyCourses.

The **open question exercise** will be a team assignment (2 students per group). In this assignment, your team will be presented with an exercise that you will have to solve using the concepts seen in class. For this exercise you will be required to use a basic amount of calculus, work with graphs and justify well your answers. The exercise will be made available on MyCourses at the specified date (see below) at 9am. You will then have 24 hours to submit your answer. An example of an open question exercise (with solutions) will be posted on MyCourses.

The **final exam** will be made available through mycourses in December at the date specified by McGill. On that date, you will have 24 hours to log into mycourses and open the exam. Once the exam has been opened, you will have 2 hours to complete the exam. The final exam will be a take-home exam, which follows the open-book format. That means that during the exam you will be allowed to consult resources as specified by the instructor, however you are not allowed to communicate with other people about any aspect of the exam.

Missed tests: If you must miss the midterms, the opinion letter or the open question exercise for justifiable reasons, the weight of the missed test will be distributed among the other components of the evaluation. For this, you need to email me a justification, with proof, within one week of the test. Please note that the option of distributing the grade is applicable **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 one of the tests without my approval you get a mark of zero for it.

Regrading: If you have any concerns regarding grading please get in touch with me. Mistakes in tallying scores would be corrected immediately. If you have other concerns about grading, please let me know. In such a case you must submit your entire exam for a regrade. Requests to regrade specific questions only will not be entertained.

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

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

There will be a supplemental exam (worth 100%) and a deferred exam (same weight as the final exam) for the course. The format and coverage of both these exams will be like those of the final exam.

Anticipated dates for the tests (note that on these dates the live class will be cancelled):

- Midterm 1: Friday, October 9 (from 9am).
- Opinion letter: Wednesday, October 28 (from 9am).
- Midterm 2: Wednesday, November 11 (from 9am).
- Open question exercise: Friday, November 20 (from 9am).

Your electronic submission of the exams and quizzes certifies that you have not, nor will you, consult with any other person about the exam, or any other subject related to it. Students who consult will be subject to disciplinary action as per the Student Code of Conduct.

Contacting me: While I try to respond to emails sooner or later, I cannot respond immediately. I will not respond to certain emails: I usually do not respond to emails with questions that should have been asked in office hours (especially if other students in the class can also benefit from the questions and the answers) and questions related to information which is already on myCourses. I especially do not respond to emails about the information 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. 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 (Chaps. 1 and 2)
 - B. Competitive Markets (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 (Chap. 6)
 - Utility maximization and consumer choice
 - Income and substitution effects
 - Consumer surplus and value
 - B. The producer side of markets (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 (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 (Chap. 14)
4. Government Intervention (Chaps. 16)
 - Market failures
5. International Trade (Chaps. 32 and 33)
 - Specialization and gains from trade
 - Trade policy