

McGill University  
Department of Economics  
ECON 208 – 004: Microeconomic Analysis & Applications (3 credits)  
Fall 2020

**Instructor**

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Office: Online on Zoom

Office hours: Thursday – 2:30 PM – 3:30 PM

Friday – 1:30 PM – 2:30 PM

**Class schedule**

MWF – 12:35 PM to 1:25 PM

Online lectures on Zoom

**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.

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.

## Course evaluation

Midterm examination: 30% (Online; Duration of the lecture)

Final examination: 70% (Online; 3 hours)

I anticipate that the exams will be multiple-choice, though I reserve the right to include some short-answer questions at my discretion. If your individual performance on the final is better than on the midterm the weights will be changed from 30% / 70% to 20% / 80%. They are **closed book** examinations - no texts, notes, cell phones or electronic memory devices allowed.

If you miss the mid-term, for **justifiable** reasons, (as determined by the instructor and subject to written confirmation acceptable to the instructor), there are two options. You can have the *final count as 100% of the course*, OR you can sit for a *deferred mid-term during the study-break in McGill, in March 2021*.

*Students missing the mid-term without justifiable reason approved by the instructor AND students not clarifying their chosen option between a deferred midterm and a 100% final before the date of the final exam, will receive a grade of zero on the midterm.*

## Critical dates

September 2<sup>nd</sup>: beginning of the course

October 26<sup>th</sup>: midterm examination during regular class hours in the classroom.

December 3<sup>rd</sup>: end of course

## Teaching assistants

- **Office Hours**

Teaching assistants (TAs) will have regular office hours (online on Zoom) during which they will answer questions on the course material.

- **Conferences**

T.A.s will hold weekly **conferences** (small-group seminars) to help you understand assigned questions on ‘assignments. The ‘assignment’ questions and basic answer guides are posted each week on **MyCourses**. The conferences are voluntary – but you are **strongly** advised to attend. *Conference times and locations, as well as your Conference Leader’s office hours, will be posted on MyCourses shortly after the onset of semester.*

## Course material

### Microeconomics, 16<sup>th</sup> Canadian Edition

Christopher T.S. Ragan

Publisher: Pearson Education Canada

ISBN-10: 0135335442 • ISBN-13: 9780135335444

The text comes with access to an online site (*MyLab Economics*) 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.

[A *Study Guide* to the 14<sup>th</sup> edition of the text (by Dickinson & Indart) is on reserve in the library. 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 text's 16<sup>th</sup> edition]

A very important learning tool is the Econ 208-002 site on *MyCourses*. You should check it **regularly** for course announcements, additional readings and non-text lecture content, conference sheets and other items to assist you in the course.

## Text Package Details from Paragraph Bookstore

Students are able to shop online at <http://www.paragraphbooks.com> starting August. They will be able to sort course books by their course code (ECON 208 or ECON 209)

They will have the option to purchase their books by coming into the store (2220 ave McGill College), calling for curbside pick-up or delivery at 514-845-5811, or emailing [paragraphbooks@paragraphbooks.com](mailto:paragraphbooks@paragraphbooks.com) for inquiries.

- *Paragraph* is able to provide the printed text both in loose-leaf and bound versions with myEconlab + e-text for both Micro and Macro in-store, online and curbside pick-up.
- *Paragraph* also has myeconlab + e-text available if students want to order them through *Paragraph* or *Pearson*.

**Online Purchase details:** Credit Card only online or over the phone.

Any purchase (basket) over \$50 will get free shipping in Quebec. In the rest of the Canada the website will determine the cost through Canada Post.

For all sales outside of North America, *Paragraph* strongly suggests the students purchase the e-Text w/ myEconlab through the Pearson site. Shipping outside of NA is untraceable.

## Reading List

## **Ragan: Microeconomics, 16<sup>th</sup> Canadian Edition**

Week numbers are estimates and may change. In addition to references below, associated topics and applications will be on Conference Sheets and/or *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** (*Weeks 1*) Chaps. 1 and 2

**B: Competitive Markets** (*Weeks 2, 3 & 4*)

- \* Market demand, supply & price Chap 3,
- \* Sensitivity ('elasticity') of demand and supply Chap 4,
- \* Market interventions & market efficiency Chap 5

### **II: CONSUMERS & PRODUCERS**

**A: The Consumer Side of Markets** (*Weeks 5 & 6*)

- \* Utility maximization and consumer choice Chap 6, pp. 117-124
- \* Income & substitution effects Chap 6, pp. 124-128
  
- \* Value versus price Chap 6, pp. 128-131

(Appendix to Chapter 6 is **NOT** part of the course)

**B: The Producer Side of Markets** (*Weeks 6 & 7*)

- \* Production and costs in the short run Chap 7
  
- \* Production, costs and technology in the long run Chap 8 (**Not** the Appendix)

## **Mid-Term Examination**

**C: Market Structures & Economic Efficiency (Part 1)** (*Weeks, 8 & 9*)

- \* The perfect competition Chap 9
- \* The monopoly extreme, cartels, & price discrimination Chap 10
- \* Between the extremes, strategic behaviour of firms Chap 11
- \* Economic efficiency & government policy Chap 12

### **III: INTERVENTION & EFFICIENCY (Part 2)**

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

**IV: INTERNATIONAL TRADE** (*Weeks 12 & 13*)

- \* Specialisation and Trade Chap 32
- \* Protectionism Chap 33, pp. 828-841
- \* Trade Policy Chap 33, pp. 844-848

*\* The instructor reserves the right to curve the course grades to an acceptable average as determined by the instructor at his discretion.*

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

## **ACADEMIC POLICIES**

- 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/](http://www.mcgill.ca/students/srr/honest/) for more information).
- 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).
- 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)
- If you have a disability please contact the [Office for Students with Disabilities](#) at 514-398-6009.