

McGill University
Department of Economics
ECON 208 – 004: Microeconomic Analysis & Applications (3 credits)
Fall 2024

Instructor

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Office: LEA 438

Office hours: Wednesday – 5:45 PM – 6:45 PM

Class schedule

MW – 4:05 PM to 5:25 PM

Course Content

This 3-credit Microeconomics course focuses on the behavior 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% (1 hour)

Final examination: 70% (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), you can have the *final count as 100% of the course*.

Students missing the mid-term without justifiable reasons approved by the instructor, will receive a grade of 'zero' on the midterm.

Critical dates

August 28th: beginning of course.

October 23rd: midterm examination (no lecture on this date)

December 4th: 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 the 'assignments. The questions in the assignments 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 T.A.'s office hours*, will be posted on MyCourses shortly after the onset of semester.

Course material

Macroeconomics, 17th Canadian Edition

Christopher T.S. Ragan Publisher:

Pearson Education

Canada

ISBN-13: 9780137324019

The e-text to be purchased from the website for Pearson Canada, comes with access to an online site MyEconLab, at www.myeconlab.com where you will find practice questions. *A student registration handout has been uploaded on MyCourses to help you register yourself.*

[A **Study Guide** to the **14th 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 17th edition]

A very important learning tool is the Econ 208-004 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.

Reading List

Ragan: Microeconomics, 17th 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
- * Sensitivity ('elasticity') of demand and supply
- * Market interventions & market efficiency

Chap 3,
Chap 4,
Chap 5

II: CONSUMERS & PRODUCERS

A: The Consumer Side of Markets

(*Weeks 5 & 6*)

- * Utility maximization and consumer choice
- * Income & substitution effects
- * Value versus price

Chap 6, pp. 124-132
Chap 6, pp. 132-136
Chap 6, pp. 136-139

(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
 - * Production, costs and technology in the long run
- Appendix)

Chap 7
Chap 8 (**Not** the

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 (Week 10)
Chap 16

COMPLEMENTARY COURSE COMPONENT (Weeks 11, 12 & 13)

- * Environmental policies controlling pollution Chap 17, pp. 420-431

IV: INTERNATIONAL TRADE

- * Specialization and Trade Chap 19
- * Protectionism Chap 20, pp. 501-512
- * Trade Policy Chap 20, pp. 517-519

** 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/ 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.
- 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 [Students Accessibility and Achievement](#) at 514-398-6009.

- **Use of Generative AI in Assignments** - Students may not use artificial intelligence tools for taking tests, writing research papers, creating computer code, or completing major course assignments. However, these tools may be useful when gathering information from across sources and assimilating it for understanding.