

Economics 1010 (B2 & C2) - Course Outline

Instructor:	Neil Hepburn
Class times:	14:00 - 14:50 MWF (B2) 13:00 - 13:50 MWF (C2)
Location:	A212
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Office Hours:	Monday & Wednesday 10:30 - 12:00 Tuesday 10:00 - 11:00

Introduction & Objectives

This course teaches the basics of microeconomic theory. We examine the fundamentals of how a market functions and how economic agents make decisions. The principle focus of the course is how a market based economy, such as Canada's, allocates resources. However, in order to fully understand these processes we also need to look at other economic systems (generically referred to as command economies)

The objectives for this course are as follows:

1. Understand how consumers, as economic agents, make purchasing and labour supply decisions.
2. Understand how firms, as economic agents, make production and supply decisions.
3. Understand how the interaction of consumers and producers leads to a market outcome.
4. Be able to apply concepts from the course to analyse the effects of various policies as they relate to the market place.
5. Recognise and understand institutions as they apply to the Canadian economy.

Your Responsibilities:

1. You are responsible for assigned readings before coming to class.
2. Regular attendance is a must for success in this course. The progression of material and ideas is sequential: What we do next week is based upon what we did this week.
3. If you must miss a class, it is your responsibility to get notes and handouts from someone in the class.
4. Assignments are to be handed in at the start of class on the due date. Assignments will not be accepted after 4:30 on the day they are due. After this time the solution sets will be available in the library. Therefore, assignments handed in after that time cannot be accepted.
5. Please arrive for class prepared and on time. People coming in late are very disruptive to the rest of the class.
6. Please note that we will be making extensive use of high school algebra (yes, math 30 did have a purpose.) However, I will NOT be using calculus in this course.

Text Books

The principle texts for this course are:

Blomqvist, Wonnacott and Wonnacott. *Microeconomics, Fourth Edition*, McGraw-Hill Ryerson Ltd. 1994.

Blomqvist, Wonnacott, Wonnacott and Hobson. *Study Guide to Accompany Microeconomics, Fourth Edition*, McGraw-Hill Ryerson Ltd. 1994.

The following are some useful references that you may want to consult for further information:

Samuelson, Nordhaus, and McCallum. *Economics Sixth Edition*, McGraw-Hill Ryerson Ltd. 1988.

Lipsey, Purvis, and Courant. *Economics Eighth Canadian Edition*, Harper Collins, 1994.

Evaluation & Grading

There are a total of nine weekly assignments and quizzes. Each assignment consists of five questions, of which I will be marking three. The three questions to be marked will be drawn at random after the assignments are handed in. These weekly assignments make use of material covered in class during the week in which it is assigned. You will know one week in advance when quizzes are to be held. Weeks with quizzes won't have an assignment due.

There is also a term assignment. This assignment will be handed out in approximately the fourth week and includes material from the entire course. Each person's assignment will be different in terms of numbers and parameters used (all of the problems are the same). For this reason I encourage you to work together on it as sharing of answers is not possible.

There are two mid-term exams and one final exam. The final exam is cumulative, with an emphasis on material covered since the second mid-term. The exams are of a mixed format: multiple choice, true/false/uncertain, and problem questions.

Evaluation and Grade Determination

Best 8 out of 9 weekly assignments and quizzes	20%
Term Assignment	20%
Midterm 15% (each)	30%
Final Exam	30%

Grande Prairie Regional College uses a 9-point grading system (scores range from 1 to 9.) However, due to the nature of this course and the course work, marking will be done on a percentage basis. Once the final grades have been calculated according to the weights (above) I will convert scores to grades on the 9-point system according to the following chart:

9 = 90% - 100%	4 = 50% - 56%
8 = 80% - 89%	3 = 45% - 49%
7 = 72% - 79%	2 = 26% - 44%
6 = 65% - 71%	1 = 0% - 25%
5 = 57% - 64%	

Any grade adjustments will be made at the end of the course. This will only happen in extreme circumstances. Adjustment will be done with the use of standardised z-scores around a target mean of 68% and the population standard deviation for both sections combined.

The Road Map

A. Introduction

Economic problems and goals	Ch. 1
Scarcity and choice	Ch. 2
Specialisation, exchange and money	Ch. 3

B. Foundations of Microeconomic Analysis

Demand, Supply, and the Market	Ch. 4
Elasticity	Ch. 6
Consumer Theory	Ch. 7

C. Production

The Firm - Organisational structure and finance	Ch. 8
Production and cost	Ch. 9
Supply in a perfectly competitive market	Ch. 10
The efficiency of perfect competition (the fairy tale)	Ch. 11

D. Market Failure

Monopoly	Ch. 12
Monopolistic competition and oligopoly	Ch. 13
Government regulation (externalities)	Ch. 14
Government's role in the economy	Ch. 5

E. Factor Markets

Wages and employment - Theory and Reality	Ch. 15 & 16
Rent, Interest, and Capital	Ch. 17
Income Inequality	Ch. 18

F. Issues in Microeconomics

International trade	Ch. 19 & 20
Public Goods and Public Choice,	Ch. 23
Environmental Economics	Ch. 22

Other Considerations

- A detailed calendar of events will be handed out at the start of each month.
- Consult the Survival Guide for Economics courses (handed out with the course outline.)
- Although I have set office hours, I prefer an "open door policy". If you need to see me at some time outside of my office hours, please stop by my office. If I am not with someone else, I will gladly see you.
- There is a tremendous amount of material in the course outline. It may not be possible to get through it all, but we will try.
- Enjoy! After all, economics really is interesting