

Economics 2810 - Course Outline

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Objectives

The principle objectives of this course are:

1. To expand knowledge and understanding of microeconomic theory and tools beyond the level of EC1010.
2. Develop a refined understanding of consumer theory and the theory of the firm.
3. Be able to use mathematical techniques to aid in the analysis of economic problems**
4. Be able to use economic theory to analyse and solve real world economic problems.

**It should be emphasised that this is an economics course, not a math course. However, mathematics (in particular basic calculus and algebra) are extremely useful tools in the study of economics. The pre-requisites of the course are EC1010/1020 and MA1130. You are responsible for basic calculus at the EC1130 level. Any math beyond this will be taught in class.

Text Books

The required texts are:

Katz, Michael L. and Harvey S. Rosen, *Microeconomics, Second Edition*. Irwin, Boston: 1994.

Valentine, Lloyd M. and Gisela Meyer Escoe, *Workbook for use with Microeconomics, Second Edition*. Irwin, Boston: 1994.

Other texts that you may want to consult are:

Varian, Hal R., *Intermediate Microeconomics, A Modern Approach, Third Edition*. Norton, New York: 1993.

Grading Scheme

Grade Distribution

Three Assignments (10% each)	30%
Mid-Term Exam	32%
Final Exam	40%
Total	100%

Grade Determination

Grande Prairie Regional College uses the Stanine grading system (grades range from 1 to 9.) Due to the nature of this course and the evaluation tools, I will be marking all assignments and exams using percentages and then converting the final grade to a Stanine score according to the table below.

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%	

Grade Adjustments

I have no preconceptions about what the distribution of grades should look like (i.e., I will not be marking on a curve.) However, under extreme circumstances, it is possible that I may have to adjust the course averages. This will only be done after all of the final grades are calculated. Since the number of students in the course is small, it is not possible to use standardised z - scores for adjusting. Instead, the following adjusting factor will be used:

$$k = \frac{68}{\text{actual average}}$$

The Road Map

I. Introduction and Review

The market, models, and microeconomics.	Ch. 1
The mathematics of optimisation (a brief introduction to mathematical economics)	

II. Consumer Theory

Consumer Choice	Ch. 2
Comparative Statics and Demand. (Including appendix 3a.)	Ch. 3
Price Changes and Consumer Welfare	Ch. 4

III. Production and Supply (the Theory of the Firm)

The firm: its structure and goals	Ch. 7
Technology and Production	Ch. 8
Cost (including appendix 9a)	Ch. 9

IV. Market Outcomes and Industry Structures

The Price-Taking Firm	Ch. 10
Competitive Market Equilibrium & Social Welfare	Ch. 11&12
Oligopoly and Non-Cooperative Games	Ch. 15

V. Factor Markets

The Household as Labour Supplier	Ch. 5
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VI. Market Failure

Externalities and Public Goods	Ch. 17
Information Problems (hidden action and hidden type)	Ch. 16
The Role of Government	Ch. 18