Course Content
What is this course about?
This course is a continuation of Economics 203. It provides an intermediate level introduction to some of the more advanced topics in microeconomics. The course begins with a review of general equilibrium in an exchange economy, and expands this to include production. The emphasis is on defining and describing efficient outcomes; this is formalized in the first fundamental theorem of welfare economics. Most of the term is devoted to the consideration of real-world circumstances under which this theorem fails to hold, so we have what is commonly called “market failure”. Reasons for market failure are asymmetric information, externalities and public goods.

Frequent use will be made of the material covered in 203, including calculus (with two variables, primarily for utility and production functions). Later in the term basic game theory will be used.

"Understanding the material" in this course means that you are able to frame and solve problems, verbally as well as mathematically (using both geometry and algebra). When you write out answers to questions on the assignments and previous exams, try to be explicit about each step in your analysis (comprehensively but concisely). On the midterms and the final, providing only final answers to questions will generally not earn you many marks (if any): you must demonstrate the techniques you used to find the answers, as well as define your terms. You must provide definitions of key terms.

Textbook
There is no required text for this course. You should have access to

a) your notes from the first intermediate micro course - 203 at UVic and Camosun, another number at different university/community college, and


My primary reference will be Frank (b), as this is the text used most recently for the first intermediate micro course (203) at UVic. Previous editions of this text are also useful.

Grading:
Your final grade will be based on class participation, two midterms, and a final exam. The class participation mark will be based on your responses to iClicker questions and assignments (other than #1). After your final exam has
been marked, I will determine your final grade using whichever of the following grading schemes results in the higher grade for you:

<table>
<thead>
<tr>
<th>Grading scheme</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm Examinations</td>
<td>45%</td>
<td>45%</td>
</tr>
<tr>
<td>Final Examination</td>
<td>50%</td>
<td>45%</td>
</tr>
<tr>
<td>Assignment 1</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Participation &amp; other assignments</td>
<td>0</td>
<td>5%</td>
</tr>
</tbody>
</table>

Assignment #1 must be submitted in order to write the final exam.

Assignment(s): There will be 3-4 assignments over the course of the term. These will consist of problems, one of which will be chosen at random to be graded. Answer keys will be posted.

Participation: iClickers: Basic information about iClickers can be found at http://www.uvic.ca/systems/support/learningteaching/iclicker/index.php. Questions will be posed in many of the lectures. These questions have two purposes: some questions will test your knowledge of the course material, and will have right/wrong answers. These will help you in determining your understanding of the material, and will help me in the presentation of material. In previous years several of these iClicker questions have been used on midterms and the final exam. Other questions will be aimed at soliciting opinions; for these there are no “wrong” answers. The goal here is to start discussion.

NOTE: follow the instructions from UVic to register your iClicker; otherwise I cannot tell if you are responding.

Midterms: A01 and A02 will write the same midterms, so they will be scheduled outside of class times. Midterms will be 6:45-8:15 pm. The first midterm will be October 10th or 11th, and the second November 7th or 8th. (Dates and rooms will be confirmed asap.)

Final exam: First Term (December) exam timetables are posted at the end of October. The final exam will be comprehensive, and you must pass the final to pass the course.

Grading Scale:

<table>
<thead>
<tr>
<th>Grade</th>
<th>90-100</th>
<th>85-89</th>
<th>80-84</th>
<th>77-79</th>
<th>73-76</th>
<th>70-72</th>
<th>65-69</th>
<th>60-64</th>
<th>50-59</th>
<th>0-49</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+</td>
<td>A</td>
<td>A-</td>
<td>B+</td>
<td>B</td>
<td>B-</td>
<td>C+</td>
<td>C</td>
<td>D</td>
<td>F or N</td>
<td></td>
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</tbody>
</table>

Students should review the University’s more detailed summary of grading.

Course Policies
This course adheres to the Undergraduate Course Policies of the Department of Economics that deal with the following issues:

- Academic concessions
- Academic integrity (plagiarism and cheating)
- Attendance
- Grading
- Inclusivity and diversity
- Late adds
- Late assignments
- Repeating courses
- Review of an assigned grade
- Students with a disability
- Term assignments and debarment from examinations
- Travel plans


- **Waitlists**

The following policies are explicitly included because of their importance.

**Examinations**

Attendance at all scheduled examinations is mandatory. Consideration for missed examinations will be given only on the basis of documented illness, accident or family affliction, and for no other reasons. In the event of a missed final examination, students are advised to follow the procedures outlined in the University Calendar.

Students are advised not to make work or travel plans until after the examination timetable has been finalized. Students who wish to finalize their travel plans at an earlier date should book flights that depart after the end of the examination period. There will be no special accommodation if travel plans conflict with the examination.

**Waitlist Policies**

- Instructors have no discretion to admit waitlisted students or raise the cap on the course.
- Students on the waitlist should discuss with the instructor how to ensure they are not behind with coursework in the event they are admitted.
- Registered students who do not show up in the first seven calendar days from the start of the course may be dropped from the course.
- Registered students who decide not to take the course are responsible for dropping the course, and are urged to do so promptly out of courtesy toward waitlisted students.
- Waitlist offers cease after the last date for adding courses irrespective of published waitlists.

**Academic Integrity**

Academic integrity requires commitment to the values of honesty, trust, fairness, respect, and responsibility. Students are expected to observe the same standards of scholarly integrity as their academic and professional counterparts. A student who is found to have engaged in unethical academic behaviour, including the practices described in the Policy on Academic Integrity in the University Calendar, is subject to penalty by the University.

Review What is Plagiarism for the definition of plagiarism. Note: Submitted work may be checked using plagiarism detection software.

**University Policy on Human Rights, Equity and Fairness**

The University is committed to promoting, providing and protecting a positive, supportive and safe learning and working environment for all its members.

See General University Policies

**Accessibility & Health Resources**

**Centre for Accessible Learning**

Students with diverse learning styles and needs are welcome in this course. In particular, if you have a disability/health consideration that may require accommodations, you are free to approach me; however, you must register with the Centre for Accessible Learning (CAL) for formal arrangements to be made. The CAL staff are available by appointment to assess specific needs, provide referrals and arrange appropriate accommodations. The sooner you let us know your needs the quicker we can assist you in achieving your learning goals in this course.

**Health Services** - University Health Services (UHS) provides a full service primary health clinic for students, and coordinates healthy student and campus initiatives.

**Counselling Services** - Counselling Services can help you make the most of your university experience. They offer free professional, confidential, inclusive support to currently registered UVic students.

**Elders' Voices** - The Office of Indigenous Academic and Community Engagement (IACE) has the privilege of assembling a group of Elders from local communities to guide students, staff, faculty and administration in Indigenous ways of knowing and being.
CourseSpaces
- CourseSpaces is used extensively for the course. All students are expected to be fully functional with the system.
- The lecture overheads will be posted in CourseSpaces. Please note that the lecture notes online are only outlines of the actual lectures, and you are responsible for all material presented in class.
- All announcements will be posted in CourseSpaces. Students are advised to check it frequently.
- Assignments will be posted in CourseSpaces.

Course Experience Survey (CES)
I value your feedback on this course. Towards the end of term you will have the opportunity to complete a confidential course experience survey (CES) regarding your learning experience. The survey is vital to providing feedback to me regarding the course and my teaching, as well as to help the department improve the overall program for students in the future.

When it is time for you to complete the survey, you will receive an email inviting you to do so. If you do not receive an email invitation, you can go directly to the CES log-in. You will use your UVic NetLink ID to access the survey, which can be completed on your laptop, tablet or mobile device. I will remind you nearer the time, but please be thinking about this important activity, especially the following three questions, during the course.
- What strengths did your instructor demonstrate that helped you learn in this course?
- Please provide specific suggestions as to how the instructor could have helped you learn more effectively.
- Please provide specific suggestions as to how this course could be improved.

Repeating Courses
Be aware of the policy regarding the repeating of courses; see University Calendar.

In order to request permission to attempt this course for the third time, you must follow the instructions provided under the Repeating Courses policy on the Economics website.
Failure to obtain permission will result in deregistration from the course.

Course Schedule (will be updated as the course goes on)

<table>
<thead>
<tr>
<th>Topics</th>
<th>Weeks (timing is approximate)</th>
<th>Frank chapters</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Overview, warm-up exercises</td>
<td>1-2</td>
<td>3-5; 9-12</td>
</tr>
<tr>
<td>2. General Equilibrium</td>
<td>2-4</td>
<td>17</td>
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<tr>
<td>(Midterm I about here)</td>
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<td></td>
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<tr>
<td>3. Fairness?</td>
<td></td>
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<tr>
<td>4. Choice under Uncertainty</td>
<td>5-6</td>
<td>6</td>
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<tr>
<td>5. Asymmetric Information</td>
<td>7-9</td>
<td>6</td>
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<tr>
<td>(Midterm about here)</td>
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<td></td>
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<tr>
<td>6. Externalities</td>
<td>10-12</td>
<td>16</td>
</tr>
<tr>
<td>7. Public Goods</td>
<td>12-13</td>
<td>18</td>
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<tr>
<td>8. Behavioural economics</td>
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<td></td>
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<tr>
<td>(time permitting)</td>
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Learning Outcomes
Microeconomic theory provides a “toolbox”, the contents of which can be used to analyze the interactions of agents in a variety of social and economic situation. The basic technique is individual optimization subject to constraints. A student who succeeds in this course should be able, in simple terms, to
- identify decision-makers in a given situation
- identify their constraints
- given some description of preferences, discuss the incentives facing each decision-maker
provide an informed prediction of whether an outcome will be efficient.

**E-mail correspondence**

Emails should be limited to critical matters, such as inability to attend class, an exam, or prolonged illness, and should include the course name and number in the subject line. Failure to do so may result in deletion of the email. Questions on course material should be asked during office hours or in class. The standard format for writing a letter must be used. This means it should begin with a salutation (e.g. Dear….), include full sentences and it must conclude with a signature that includes your full name and V#. Text message lingo should not be used.

**Electronic devices**

My policies with respect to electronic devices are based on minimizing distraction for all students and me.

Laptops and tablets should not be used in the classroom except for course-related material. If you want to use one, please sit at the back of the classroom so you do not distract me or other students.

Cellphones should be turned off while you are in class. If there is a good reason to have yours on during lectures, speak with me about this.