

Economics 111*S
Introduction to Microeconomics

Introduction

There are two main branches in Economics: Microeconomics and Macroeconomics. Economics courses are commonly divided into two sections to deal with "Micro" and "Macro" separately. Microeconomics (the subject of this course) by its name suggests that it is primarily concerned with the smaller economic agents - the consumer, the producer, the buyer, the seller, inputs, outputs, etc. Macroeconomics, on the other hand, is primarily concerned with the larger economic agents - governments, taxes, national income, inflation, monetary and fiscal policy. Whether you take Micro or Macro as your first course in economics will not hinder your understanding of the material. However, it is generally accepted that if one has a strong understanding of the micro concepts, one will have a stronger appreciation and awareness of macroeconomics; because macroeconomics is in a sense, the "summation" of microeconomics.

The textbook for this course is *Microeconomics (and Study Guide)*, Eleventh Canadian Edition, by Ragan and Lipsey. This textbook has proven itself for many years and in many countries to be one of the best first year economics texts. It contains all of the material presented in a modern form with superb diagrams to aid the learning process.

A course such as this at the university would have three lecture hours per week usually with an assignment to follow. On average you should spend about 10 - 12 hours per week on the course. Any questions about the grading of assignments or the mid-term should be directed to the instructor. The instructor will grade the final exam and will be available to answer questions about the course material. If you have any difficulties, do not hesitate to call for help.

Inquiries Regarding Course Content

Instructor: Hui (Julia) Zhu

Inquiries concerning the course content should be addressed to me, the instructor. If you have difficulties with any of the assigned work, you can send questions along with your assignment or you can visit me at my office, **Mackintosh-Corry Hall A523 on Wednesdays 1 - 5 pm**. I will also be available during those times if you wish to contact me by **phone (613) 533-6660**. You may leave a voice mail at any time. Whenever you leave a message, please include your name, telephone number and area code, times when you can be reached, and the general nature of the matter you are calling about. I will return your call.

You can also e-mail me at: hzhu@econ.queensu.ca

Or you can post questions to the **chat line** at any time and I will answer them there.

Inquiries Regarding Administrative Concerns

General inquiries about adding or dropping courses, obtaining transcripts, paying fees, receiving fee refunds, changing your address, etc. should be directed to the Division of Continuing & Distance Studies/Faculty of Arts & Science Office, F-200, Mackintosh-Corry Hall, 68 University Avenue, Queen's University, Kingston, ON, K7L 2N6. Send written inquiries separately from your assignments. The Faculty of Arts & Science/Continuing & Distance Studies Office is open 9 a.m. to 4 p.m., Monday to Friday, but the office is closed 12 noon to 1 p.m. during the Spring-Summer session. Telephone (613) 533-2470, FAX (613) 533-6805, e-mail: cds@post.queensu.ca

Readings

All the required readings for the course are contained in the textbook or this course guide:

Christopher T.S. Ragan, and Richard G. Lipsey, *Microeconomics, Eleventh Canadian Edition*. Published by **Pearson Addison-Wesley, 2007**.

Paul T. Dickinson and E. Kenneth Grant, *Study Guide to Accompany Eleventh Canadian Edition: Microeconomics* Published by **Pearson Addison-Wesley, 2005**.

Course Outline

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| PART I | INTRODUCTION |
| Chapter 1 | Economic Issues and Concepts |
| Chapter 2 | How Economists Work |
| Chapter 33 | The Gains from International Trade (pgs 838-849) |
| PART II | SUPPLY AND DEMAND APPLICATIONS |
| Chapter 3 | Demand, Supply, and Price |
| Chapter 4 | Elasticity |
| Chapter 5 | Markets in Action |
| Optional Assignment #1 due Thursday, 29 May 2008 | |
| PART III | HOUSEHOLD DECISIONS |
| Chapter 6 | Consumer Behaviour |
| Supp Chapter | Other Household Decisions |
| REQUIRED "Take home" Mid-Term Exam, Due: Wednesday, 18 June 2008 | |
| PART IV | PRODUCER THEORY |
| Chapter 7 | Producers in the Short Run |
| Chapter 8 | Producers in the Long Run (Omit the Appendix) |
| PART V | OUTPUT MARKETS |
| Chapter 9 | Competitive Markets |
| Chapter 10 | Monopoly |
| Chapter 11 | Imperfect Competition and Strategic Behaviour |
| Chapter 12 | Economic Efficiency and Public Policy |
| *Optional Assignment #2 due Thursday, 10 July 2008 | |
| PART VI | THE GAINS FROM TRADE REVISITED |
| Chapter 33 | The Gains from International Trade (pgs 849-852) |
| Chapter 34 | Trade Policy |
| PART VII | INPUT MARKETS |
| Chapter 13 | How Factor Markets Work |

*Since this assignment comes late in the term, you may not get it back before the exam. However, if you make the effort to get it in on time, we'll make every effort to grade it and make it available to you before the exam.

Assignment solutions will be posted to the website on the day after they are due. The **mid-term exam** will also be posted there **and the answers to the mid-term** will be posted a day or so after the due date. Visit the website by following the appropriate link from:
<<http://qed.econ.queensu.ca/walras/custom/100/firstyear/corresp/index111.html>>

Hard copies of the solutions will be returned to those who submit the mid-term exam and/or assignments.

Correspondence students also have access to a **Chat line**—a link to the Chat line can be found on the course web page. At this site you will be able to pose questions to the instructor, or just “chat” with others in the course about the material.

E-mailing Assignments

You may email your assignments and mid-term to me at the following email address: hzhu@econ.queensu.ca. Please put your name, ECON 111*S and the assignment number in the subject line. If you have questions about emailing your assignments, please contact me.

Assignments, Examinations and Grading

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|---------------------------|--|
| Take Home Mid-Term | 30% |
| Final Examination | 70% You must pass the final exam in order to pass the course. |

The mid-term will follow the format of the final exam, consisting of multiple choice, short answer (true/false/uncertain) problems, and long problems.

The **midterm will be posted** on the course web site
<<http://qed.econ.queensu.ca/walras/custom/100/firstyear/corresp/index111.html>>
during the week of **26 May 2008**. You are required to obtain a copy of the mid-term from this site.

If you do not have access to the Internet, it is your responsibility to contact Continuing & Distance Studies promptly (telephone 613 533-6000, Ext. 77770) to request that a copy of the mid-term be mailed or faxed to you.

The mid-term is due back by **Wednesday, 18 June 2008 by 3 pm**. **Please note: NO MID-TERMS WILL BE ACCEPTED AFTER THE DUE DATE**. This is designed to give you feedback on your mid-term performance before the **drop date of 27 June 2008**. You may email or call the instructor for your mid-term grade if you do not pick up or receive your graded mid-term by mail with adequate time to make a decision.

I would also like to mention that if your final exam grade is higher than that obtained by the above scheme, then you automatically receive the final exam grade as your final mark for the course. However, for this to "kick in" you must have made a "satisfactory" attempt at the mid-term. This is designed to give you every chance to do well in this course. ***However, you must pass the final examination to pass the course.***

The same grading scheme is used for extramural and intramural students, as follows:

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|---------------|---------|
| 80% and above | Grade A |
| 65% - 79% | Grade B |
| 50% - 64% | Grade C |
| Below 50% | Grade F |

50% is the passing grade.

The formal, supervised **final exam** will consist of three parts: multiple choice, true/false/uncertain, and long answer questions. To get practice in doing multiple-choice questions, be sure to see the ones in the Study Guide. You are permitted to bring a **non-programmable calculator** to the final exam.

Assignment Submission and Return

You may submit your assignments in person or by mail to the Continuing & Distance Studies/Faculty of Arts & Science Office in F200 Mackintosh-Corry Hall (the complete address is on the assignment cover sheet). Assignments may also be faxed to Continuing & Distance Studies at 613 533-6805.

Students who submit assignments *according to schedule* may expect to have their graded assignments returned within three weeks. If your assignment has not been returned within this period, contact your instructor, tutor-marker, or Continuing & Distance Studies.

Students who are on campus regularly are asked to pick up their graded assignments from F200 Mackintosh-Corry Hall.

Final Examination Period: 24, 25, 28 April 2008

Students requiring accommodations for exams in correspondence courses due to special needs must contact Candy Randall-Quesnel and Health, Counselling and Disability Services immediately following registration to be interviewed/assessed so that arrangements can be finalized well in advance of the exam period.

Please read "Examinations" in the *Correspondence Study Q & A Compendium* (at the front of this course guide) for IMPORTANT administrative details about final exams.

ALL students residing in Kingston and vicinity MUST write their exams on the Kingston campus. They are required to access the exams schedule at www.queensu.ca/registrar/exams/ to find out the date, time, and location of their exam. Kingston students will also be linked to this site through their Web-CT course site. A Queen's NetID is required to access Web-CT.

Students who are eligible to write exams off-campus will be notified of exam arrangements on their Web-CT course site. A Queen's NetID is required to access Web-CT.

Please consult this course guide for information on how to activate your Queen's NetID and access Web CT or visit <http://www.queensu.ca/currentStudents/onlineResources/>

- NB**
- a) Students who do not have access to the Internet **must** notify the Examinations Coordinator **immediately** following registration.
 - b) Distance students writing in "remote" areas where an established test site does not already exist (as determined by the Examinations Coordinator) will not need to access Web-CT for this purpose because they are directly involved in setting up the actual exam with the proctor.
 - c) Incarcerated students will be notified of the date/time/location of their exam in writing approximately three weeks before the exam session begins.

ALL students are expected to write exams when they are scheduled. Exams will be held on a weekday commencing at 9 a.m. or 2 p.m. (AM and PM start times may vary at off-campus exam centre locations.)

Questions? Direct any questions about final exam scheduling or location to the Correspondence Examinations Coordinator, Candy Randall-Quesnel, by e-mail randallc@queensu.ca, fax 613 533-6805, or by telephone 613 533-6000, Ext 77188.

Have you activated your NetID?

You need a NetID to sign on to Queen's e-mail and WebCT.

Ensure you receive important information, including exam schedule and location, by activating your NetID and checking your email and WebCT course site regularly.

Visit <http://www.its.queensu.ca/students/>

Method of Study

This course has two sources of information. First, the textbook provides a complete discussion and presentation of all the material including examples and figures. Second, the Course Guide provide a re-explanation of the material so that you can get a more informal lesson. The Course Guide cannot stand on their own, they must be used in conjunction with the textbook. The beginning of the notes can be a bit verbose; they try to say the same thing in a variety of ways so you have a greater opportunity to relate. Half way through the notes, however, a greater

understanding of the material is assumed and the notes tend to be more direct and to the point; yet they still try to emphasize the important points, walk you through examples, cut through the less important information and provide a less formal presentation of the material.

1. Consult the course guide and go through these and the textbook simultaneously. In the notes you will find the objectives of the lesson and a breakdown of the chapters to be studied.
2. When you start to study make complete notes of your own. These will serve to be your study notes when you are doing assignments and preparing for the final exam. You will find that there are a number of concepts that neither the text nor the notes will help *you* on. Don't be discouraged if you have to read the same chapter numerous times - it is imperative you have a good grasp of the knowledge. If this happens re-read *your* study notes every day for a week until you are comfortable with the material; your study notes are tailored to you. They present things *to you* in the perfect manner so you can remember them. Use your study notes as much as possible for this reason. An integral part of studying economics is using graphs. Many relationships among variables are presented graphically in the course. Reviewing graphing techniques can only be beneficial. There is a review of graphing techniques in the Appendix to Chapter 2 in your text.
3. When you have completed what you have set out to do in the lesson go to the study guide and do some related problems. Also, on the website, there are some additional Practice Problems taken from previous years' Assignments and exams. You should treat these as you would a written assignment, then turn to the solutions on the following page. If you are still having difficulty at this point call the instructor. Oh yes, I would like to pass on an interesting observation: The students who actually call the instructor (or tutor, if one is assigned) with questions are the same students that also tend to have the highest grades. Keep this in mind!!!
4. During the term there are two optional assignments. Although you will not be graded on them, please take the time to do them carefully. Try to do them first without using the textbook; this will also test your knowledge. Then, when you have completed as much as you can consult the text. The assignments are made up of two parts - True, False and Uncertain - and Long Answer or Problem questions. The assignments are designed to be challenging so don't get discouraged; they also reflect the final examination.

Use your knowledge gained from the lessons and **apply** it to the problems. Economics is a "hands-on" course, so treat it as one.

