

Microeconomic Principles, Econ 1013 C1

Course Outline

INty_Mic Course_OUT_Fall 2016.

Fall 2016

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Tuesday and Thursday: 10:30 am– 12:00 noon

Introduction

Welcome to this course of Introductory Economics.

One of the main concerns of Economics is the study of efficient allocations of scarce resources (i.e., land, labor and capital) to the production of goods and services for the purpose of satisfying virtually unlimited human wants.

Free markets based economic systems rely on free markets and governments to allocate resources and the resulting output of goods and services. Microeconomics is dedicated to the detailed study of these markets. In microeconomics, we study four basic methods of allocation and we compare their relative efficiency. This comparison helps us formulate economic policies designed to reduce the inefficiency of the market system.

The four basic methods are:

- Perfect Competition,
- Monopolistic Competition,
- Oligopolistic
- Competition and Monopoly.

We will demonstrate that Perfect Competition is the most efficient of them.

However, we shall establish that even Perfect Competition must be assisted by government and its economic policy due to the existence of externalities such as pollution or difficulties to exclude free riders such as the case of public goods or natural resources.

Consequently, in many cases, the invisible hand of free markets needs the visible hand of government intervention to help it lead the economy to an efficient allocation of resources. This need is even clearer when we consider the allocation of resources over time and the role of markets in allocating incomes between labor and capital.

Our main goal in this course is to understand how good government economic policy can improve the efficiency of resource allocation in a free market economy.

Textbook:

H. Moussa, 2016, Lecture Notes for Introductory Economics

Other recommended text: Parkin M. and R. Bade, 2014, "Economics, Canada in the global economy", Pearson Canada, Ninth edition

Section 2 describes the grading system. Sections 2 and 3 provide the relevant dates for the exams and the due dates of assignments.

Section 1: Course Outline:

Week	Subject	<i>Moussa</i> Chapters	Parkin Bade Chapters
Week 1-	Introduction, Demand and Supply Model	1, 2	1
Week 2	Efficient Allocation of Resources and Competitive markets	2	3
Week 3-4	Free trade and Efficient Allocation of Resources	4	2, pp 40-43
Week 5	Elasticity of Demand and Supply	5	4
Week 6	Production and Costs in the short run	7	10, 11
Week 7	Production and Costs in the Long run	8	11
Week 8	Perfect Competition and Efficiency	8	12
Week 9	Monopoly	9	13
Week 10	Monopolistic Competition	10	14
Week 11	Oligopoly and Competition Policy	10	15
Week 12	Environmental Issues	11	16
Week 13:	Public Goods and Natural Resources	11	17

Section 2: Grading System

	Date	Weight
Test 1	October 5, 2016	6
Test 2	November 16, 2016	6
Test 3	December 2, 2016	6
Midterm Exam	October 19, 2016, 5:00 pm-6:30 pm	30
Assignments	See Schedule Below	12
Final Exam	Consult the final exam schedule of the registrar's office	40

Please note to earn a C- grade or better in this course, you need to pass the final exam with a mark of 50% or better.

Section 3: Assignment Schedule

Assignment	Date of Distribution of Text	Due date
1	September 21, 2016	September 28, 2016
2	September 28, 2016	October 7, 2016
3	October 31, 2016	November 7, 2016
4	November 16, 2016	November 25, 2016

Assignments must be handed in at the beginning of class of the corresponding due date.

Good Luck