

Microeconomic Principles,

Course Outline

INty_Mic Course_OUT_Fall 2018.

Fall 2018

Professor: Hassouna Moussa

Office Location: BAC 347

Office Telephone: 585 1511

Email Address: moussa@acadiau.ca

Office Hours: 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.

Markets based economic systems rely on 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 this course of microeconomics, we study four basic methods of allocation of resources and we compare their relative efficiency. This comparison helps us formulate government economic policies designed to reduce the inefficiency of the market system.

The four basic methods are: Perfect Competition markets, Monopolistic Competition markets, Oligopoly markets, and Monopoly markets.

We will demonstrate that Perfect Competition is the most efficient of the four methods when the government provides the appropriate supporting infrastructure. Without such an infrastructure markets fail.

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, 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 market-based economy.

Textbook:

H. Moussa, 2018, 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, 5 pp 108-115)
Week 3-4	Free trade and Efficient Allocation of Resources	4	2, pp 40-43
Week 5	Elasticity. Application to trade, taxes and efficiency	5	4, 6(pp 133-139)
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	Remembrance Day Fall Study Break		
Week 12	Oligopoly and Competition Policy	10	15
Week 13:	Environmental Issues	11	16
Week 14	Public Goods and Natural Resources	12	17

For those students who are majoring in economics or those who plan to take intermediate economics courses, there will be two tadeonal Friday afternoon sessions from 2:30 pm to 3:30 pm to discuss the topic of consumers utility functions in economics, chapter 5 Moussa Lecture Notes.

Section 2: Grading System

	Date	Weight
Test 1	October 1, 2018	6
Test 2	November 7, 2018	6
Test 3	December 3, 2018	6
Midterm Exam	October 17, 2018, 5:00 pm-6:30 pm	30
Assignments	See Schedule Below	20
Final Exam	Consult the final exam schedule of the registrar's office	32
Total weight		100

To earn a C- grade or better in this course, you need to pass the final exam with a mark of 50/100 or better.

Assignments are not optional. They are very important. You must attempt the assignments. Please hand them in on time. Please read the lecture notes on time.

Section 3: Assignment Schedule

Assignment	Date of Distribution of Text	Due date
1	September 21, 2018	September 28, 2018
2	September 28, 2018	October 10, 2018
3	October 31, 2018	November 9, 2018
4	November 19, 2018	November 28, 2018

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

Good Luck