



# ECON632

## Intermediate Microeconomics

S2 Day 2014

*Economics*

### Contents

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<a href="#"><u>General Information</u></a>	2
<a href="#"><u>Learning Outcomes</u></a>	2
<a href="#"><u>Assessment Tasks</u></a>	3
<a href="#"><u>Delivery and Resources</u></a>	5
<a href="#"><u>Unit Schedule</u></a>	6
<a href="#"><u>Learning and Teaching Activities</u></a>	7
<a href="#"><u>Policies and Procedures</u></a>	7
<a href="#"><u>Graduate Capabilities</u></a>	10
<a href="#"><u>Changes since First Published</u></a>	11

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## General Information

Unit convenor and teaching staff

Unit Convenor

Ha Vu

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Contact via [ha.vu@mq.edu.au](mailto:ha.vu@mq.edu.au)

E4A 429

Thursday 1 - 3pm

Credit points

4

Prerequisites

Admission to MCom or MAcc(Prof)MCom or MBioTechMCom or MEc

Corequisites

Co-badged status

Unit description

This is an intensive analysis of the major topics in microeconomics. The unit covers the theory of consumer behaviour, the theory of production and costs, market structures (including perfect competition; monopoly; imperfect competition), factor markets, general equilibrium, game theory and elementary welfare economics. The theory is taught in an applied context.

## Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

## Learning Outcomes

On successful completion of this unit, you will be able to:

Understand and apply microeconomic models to various economic problems and issues.

Identify, define and analyse problems and recommend creative solutions within real-world constraints.

Demonstrate a capacity to work independently including the ability to plan and achieve goals.

Critically evaluate underlying theories, concepts, assumptions and limitations.

Be intellectually ready to participate in public policy discussions arising in business and government environments.

Manage, analyse, evaluate and use information efficiently and effectively.

## Assessment Tasks

Name	Weighting	Due
<u>Class Test</u>	20%	18 September 2014
<u>Review essay</u>	20%	3pm Thursday 16/10/2014
<u>Final Examination</u>	60%	University Examination Period

### Class Test

Due: **18 September 2014**

Weighting: **20%**

A 60-minute test will be held in place of the regular lecture in Week 7. From Week 2 onwards, students will work through a set of tutorial questions on the topics discussed during the lecture of the previous week (see below for topics week by week). The class test will be based primarily on questions along the lines of the numeric/short answer tutorial questions and the lectures presented from weeks 1 to 6.

Failure to attend the class test without the submission of an application for Special Consideration on the grounds of illness or unavoidable mishap, together with the required supporting documentation (see the *Policies and Procedures* section for details), will result in a mark of **zero** for the assessment.

If the application for Special Consideration is approved, students will have to take a Supplementary test in the format of an oral test. The Supplementary test will take place during the second week (between 29 September and 3 October) of the mid-session break.

On successful completion you will be able to:

- Understand and apply microeconomic models to various economic problems and issues.

### Review essay

Due: **3pm Thursday 16/10/2014**

Weighting: **20%**

Write a 1600 word summary and evaluation of any single one of the two articles on microeconomics that can be found on this unit ilearn pages. A "review essay" is a summary in **your own words** of the article you have chosen to review, together with an appraisal of it. Your review essay should be about 60% summary and 40% appraisal. *Summary* means you summarize the main points and explain the chosen article in your own words. Figures, tables, or equations in the article may not be included in your essay. *Appraisal* means you express your thoughts about the article. For example, whether the article is full of insightful remarks, whether the article gives adequate consideration/analysis of the main issues, or if the article covers too

much or too little ground, any additional aspects should be included in the article. Your bibliography can be minimal.

Each essay must represent a student's own work. The copying of another student's essay, or from somewhere else is clearly regarded as plagiarism. All essays will be scanned by software that detects plagiarism. Cases of plagiarism will be dealt with severely. For further information on plagiarism and how to avoid it, please refer to the *Policies and Procedures* section.

Essays must be submitted in class in week 9. Late essays will be accepted up to 72 hours after the submission deadline. There will be a deduction of 20% of the total available marks for each 24 hour period, or part thereof, that the submission is late (for example, 25 hours late in submission means a 40% penalty). This penalty does not apply for cases in which an application for special consideration is made and approved.

Essays will be marked out of 20 marks. Failure to submit the review essay will result in a mark of zero.

On successful completion you will be able to:

- Understand and apply microeconomic models to various economic problems and issues.
- Demonstrate a capacity to work independently including the ability to plan and achieve goals.
- Be intellectually ready to participate in public policy discussions arising in business and government environments.
- Manage, analyse, evaluate and use information efficiently and effectively.

## Final Examination

Due: **University Examination Period**

Weighting: **60%**

A 2 hour final examination for this unit will be held during the University Examination Period in November. The conditions for the requesting and granting of requests for Special Consideration are set out in the Policies and Procedures section of this Unit Guide.

On successful completion you will be able to:

- Understand and apply microeconomic models to various economic problems and issues.
- Identify, define and analyse problems and recommend creative solutions within real-world constraints.
- Demonstrate a capacity to work independently including the ability to plan and achieve goals.
- Critically evaluate underlying theories, concepts, assumptions and limitations.

# Delivery and Resources

## Classes

- This unit provides 3 hours face-to-face teaching per week consisting of 1 x 2 hour lecture and 1 x 1 hour tutorial
- The timetable for lectures and tutorials can be found on the University web site at:  
<http://www.timetables.mq.edu.au>

Lectures: Thursday 6pm-9pm, E5A 160.

It is assumed that students will attend all lectures and tutorials. Students who miss lectures put themselves at a significant disadvantage for several reasons, including:

(i) Not all the material in the text is covered in the unit, and not all the material in the unit is covered in the text. In some places the text deals with issues in greater depth than is necessary for the unit, and in other places it doesn't go far enough. The lectures contain all the unit material taught at the level required for the assessment tasks, and are your guide to the unit content. The tutorials will demonstrate the way questions in microeconomics are approached.

(ii) The lectures and tutorials will include significant guidance about the style and content of the final exam and recommendations about study technique.

(iii) It is difficult (and often impossible) for staff to provide meaningful assistance to students outside class times on topics for which they did not attend the relevant lectures and tutorials.

## Required and Recommended Texts and/or Materials

### Recommended Text

Perloff, JM, (2014), Microeconomics, Theory and Applications with Calculus (3rd Ed), Pearson/Addison Wesley

The text is available for purchase at Co-op Bookshop. A small number are available on reserve in the library. In the text will be an access code and information that will enable you to use a free online study resource MyEconLab that is available with the related textbook Perloff, JM, (2008) Microeconomics, (5th Ed), Pearson/Addison Wesley. While this resource is not directly related to the Perloff text used in ECON632 it may be of use for students seeking extra material.

### Technology Used and Required

#### Unit Web Page

Lecture and tutorial material as well as up to date information concerning any aspect of the unit, including any changes to the schedule, will be available to students by logging on to the unit web page at <http://ilearn.mq.edu.au>.

You are strongly encouraged to regularly visit the website and use it as a resource centre to assist with your learning.

If you are unable to access the website because you are not aware of or have forgotten your username and password, please contact the IT helpdesk located on Level 1 of the Library or call 9850 6500. The IT helpdesk will also be able to assist you with using the unit web page. If you have contacted the helpdesk in regard to your username and password and you are still unable to login to the unit web page you should then email details of your problem to the unit administrator, Prashan Karunaratne at [prashan.karunaratne@mq.edu.au](mailto:prashan.karunaratne@mq.edu.au).

Please remember to log out when you have finished using the unit web page. Failure to do so could result in

unauthorised access to your unit web page account.

## Teaching and Learning Strategy

This unit is taught as a mix of lectures and tutorials. The lectures are designed to provide the tools which can then be applied in tutorials. The tutorials comprise numerical problems and analytical questions and will be detailed in a separate document on ilearn by the end of week 1. There should be the opportunity to explore issues raised in lectures and to ask questions. The tutorials aim to improve understanding of microeconomic theory and policy.

## Unit Schedule

### Week 1: Introduction, supply and demand

Perloff Chs 1, 2

### Week 2: Consumer theory

Perloff Ch 3

### Week 3: Demand, consumer welfare & policy analysis

Perloff Chs 4, 5

### Week 4: Firms & production, costs

Perloff Chs 6, 7

### Week 5: Competitive firms & markets, applications of the competitive model

Perloff Chs 8, 9

### Week 6: General Equilibrium & economic welfare

Perloff Ch 10

### Week 7: Class test

### Week 8: Monopoly, Pricing & advertising

Perloff Chs 11, 12

**Week 9: Game theory, and Oligopoly**

Perloff Chs 13, 14

**Week 10: Factor markets, and Uncertainty**

Perloff Chs 15, 16

**Week 11: Externalities & public goods, and Information**

Perloff Chs 17, 18

**Week 12: contract theory**

Perloff Ch 19

**Week 13: Revision**

## Learning and Teaching Activities

### Lectures

Lectures are intended to provide overviews of the conceptual framework and economic data that are critical to the core themes of the unit. Students are expected to read the relevant chapters before each lecture.

### Independent learning

Learning by doing (about 6 hours each teaching week and 9 hours each week during the 2-week mid-semester recess). ECON632 relies heavily on independent learning where students read the relevant chapter, revise the lecture notes, prepare answers to the tutorial questions and extend themselves by doing additional reading, questions, exercises, problems.?

### Tutorials -beginning in Week 2

A tutorial is an active forum to present to the lecturer/tutor difficulties you encountered when preparing for the pre-set tutorial questions. Ask your lecturer/tutor questions and further guidance on how to approach questions. Students are expected attempt the tutorial questions before each tutorial.

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](#). Students should be aware of the following policies in particular with regard to

Learning and Teaching:

Academic Honesty Policy [http://mq.edu.au/policy/docs/academic\\_honesty/policy.html](http://mq.edu.au/policy/docs/academic_honesty/policy.html)

Assessment Policy <http://mq.edu.au/policy/docs/assessment/policy.html>

Grading Policy <http://mq.edu.au/policy/docs/grading/policy.html>

Grade Appeal Policy <http://mq.edu.au/policy/docs/gradeappeal/policy.html>

Grievance Management Policy [http://mq.edu.au/policy/docs/grievance\\_management/policy.html](http://mq.edu.au/policy/docs/grievance_management/policy.html)

Disruption to Studies Policy [http://www.mq.edu.au/policy/docs/disruption\\_studies/policy.html](http://www.mq.edu.au/policy/docs/disruption_studies/policy.html) *The Disruption to Studies Policy is effective from March 3 2014 and replaces the Special Consideration Policy.*

In addition, a number of other policies can be found in the [Learning and Teaching Category](#) of Policy Central.

## Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: [https://students.mq.edu.au/support/student\\_conduct/](https://students.mq.edu.au/support/student_conduct/)

## Academic Honesty

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
- all academic collaborations are acknowledged
- academic work is not falsified in any way
- when the ideas of others are used, these ideas are acknowledged appropriately.

Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at [http://www.mq.edu.au/policy/docs/academic\\_honesty/policy.html](http://www.mq.edu.au/policy/docs/academic_honesty/policy.html)

## Grades

Macquarie University uses the following grades in coursework units of study:

- HD - High Distinction
- D - Distinction
- CR - Credit
- P - Pass
- F - Fail



Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at:

<http://www.mq.edu.au/policy/docs/grading/policy.html>

## Grading Appeals and Final Examination Script Viewing

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade and/or viewing your final exam script please refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.

[http://www.businessandeconomics.mq.edu.au/new\\_and\\_current\\_students/undergraduate\\_current\\_students/how\\_do\\_i/grade\\_appeals/](http://www.businessandeconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/how_do_i/grade_appeals/)

## Special Consideration Policy

The University is committed to equity and fairness in all aspects of its learning and teaching. In stating this commitment, the University recognises that there may be circumstances where a student is prevented by unavoidable disruption from performing in accordance with their ability. A special consideration policy exists to support students who experience serious and unavoidable disruption such that they do not reach their usual demonstrated performance level. The policy is available at:

[http://www.mq.edu.au/policy/docs/special\\_consideration/policy.html](http://www.mq.edu.au/policy/docs/special_consideration/policy.html)

## Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

## Learning Skills

Learning Skills ([mq.edu.au/learningskills](http://mq.edu.au/learningskills)) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

## Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

## Student Enquiries

For all student enquiries, visit Student Connect at [ask.mq.edu.au](http://ask.mq.edu.au)

## IT Help

For help with University computer systems and technology, visit <http://informatics.mq.edu.au/help/>.

When using the University's IT, you must adhere to the [Acceptable Use Policy](#). The policy applies to all who connect to the MQ network including students.

## Graduate Capabilities

### PG - Discipline Knowledge and Skills

Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

#### Learning outcomes

- Understand and apply microeconomic models to various economic problems and issues.
- Demonstrate a capacity to work independently including the ability to plan and achieve goals.
- Critically evaluate underlying theories, concepts, assumptions and limitations.
- Be intellectually ready to participate in public policy discussions arising in business and government environments.

#### Assessment tasks

- Class Test
- Review essay
- Final Examination

### PG - Critical, Analytical and Integrative Thinking

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

#### Learning outcomes

- Identify, define and analyse problems and recommend creative solutions within real-world constraints.
- Demonstrate a capacity to work independently including the ability to plan and achieve

goals.

- Critically evaluate underlying theories, concepts, assumptions and limitations.
- Be intellectually ready to participate in public policy discussions arising in business and government environments.
- Manage, analyse, evaluate and use information efficiently and effectively.

## Assessment tasks

- Class Test
- Review essay
- Final Examination

## PG - Research and Problem Solving Capability

Our postgraduates will be capable of systematic enquiry; able to use research skills to create new knowledge that can be applied to real world issues, or contribute to a field of study or practice to enhance society. They will be capable of creative questioning, problem finding and problem solving.

This graduate capability is supported by:

## Learning outcomes

- Identify, define and analyse problems and recommend creative solutions within real-world constraints.
- Be intellectually ready to participate in public policy discussions arising in business and government environments.
- Manage, analyse, evaluate and use information efficiently and effectively.

## Assessment task

- Review essay

## Changes since First Published

Date	Description
11/02/2014	The Prerequisites was updated.