



ECON111

Microeconomic Principles

S2 Day 2014

Economics

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Disclaimer

Macquarie University has taken all reasonable measures to ensure the information in this publication is accurate and up-to-date. However, the information may change or become out-dated as a result of change in University policies, procedures or rules. The University reserves the right to make changes to any information in this publication without notice. Users of this publication are advised to check the website version of this publication [or the relevant faculty or department] before acting on any information in this publication.

General Information

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Credit points

3

Prerequisites

Corequisites

Co-badged status

Unit description

This unit aims to provide an introduction to the main ideas and concepts involved in modern economics; and attempts to provide students with an understanding of how the economy works, what type of problems economists attempt to solve, and how they set about trying to solve them. The unit is primarily concerned with the analysis of individual decision-making units, and the behaviour of firms and industries in the economy, ie with microeconomics.

Topics include: consumer choice and demand analysis; the firm and its production and costs; market structures from perfect competition to monopoly; factor markets; income distribution, poverty and discrimination; welfare economics; and market failure and microeconomic reform.

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:

Demonstrate a solid understanding of microeconomic theory.

Recognize how microeconomic theory aids decision-making by individuals, business and government.

Undertake any future studies in economics with increased confidence.

Communicate effectively on microeconomic issues.

Apply microeconomic principles to solve problems.

Recognise how economic theory can explain observed human behaviour.

Assessment Tasks

Name	Weighting	Due
<u>Tutorial Assessment</u>	10%	Each week, starting in Week 2
<u>Online Quiz</u>	10%	9am Friday Weeks 5, 9, 12
<u>Assignment</u>	20%	October 7 2014 (week 8)
<u>Final Examination</u>	60%	University Examination Period

Tutorial Assessment

Due: **Each week, starting in Week 2**

Weighting: **10%**

At the beginning of the session, each student will be allocated 10% (i.e., 10 marks) for tutorial

work. You will need to work consistently throughout the session to keep this surplus of 10%. Tutorial attendance will comprise 5% and participation in questions and answers will make up the remaining 5%.

A separate document with detailed instructions about the tutorial format and assessment will be made available on the unit web page at the end of week 1. Your tutor will also outline tutorial requirements to you in your first tutorial in week 2.

The emphasis in marking the tutorial participation will be on how well you prepare for class. Preparing in your group will greatly help you prepare for providing answers to questions. If you work effectively with your group to understand and explain the essential elements of each topic, your individual learning will be further enhanced in class. Your consistent participation in group work and in asking and answering questions in class is essential for you to achieve learning outcomes 3, 4 and 5, in particular (see below for Learning Outcomes). Your participation in the tutorials will allow you to practise how to apply economic theory to solve problems, to communicate your ideas to others and thereby to improve the confidence with which you undertake future economic studies.

If you miss a tutorial due to unavoidable disruption, you may apply for special consideration (see the Disruption to Studies Policy below). If that application is approved the attendance requirement will be waived for that tutorial.

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Online Quiz

Due: **9am Friday Weeks 5, 9, 12**

Weighting: **10%**

There will be a total of 3 online quizzes conducted throughout the session on iLearn. This assessment task is intended to give you ongoing feedback on your progress in the unit. Online quizzes will consist of multiple choice questions only.

The dates and topics of each quiz are given below:

Quiz 1 (Weight: 2%), "Opportunity Cost and the Production Possibility Frontier" and "Demand and Supply", opens 9am Friday 29/08/14, closes 9am Friday 05/09/14

Quiz 2 (Weight: 4%), "Elasticity", "Efficiency", "the Environment" and "Government actions in markets", opens 9am Friday 10/10/14, closes 9am Friday 17/10/14

Quiz 3 (Weight: 4%), "Consumer Choices and Constraints", "Producer Choices and Constraints", "Perfect Competition" and "Monopoly", opens 9am Friday 31/10/14, closes 9am Friday 07/11/14

Together the online quizzes will contribute 10% to your final mark in this unit.

Please note that no extensions will be granted. Failure to complete any quiz will result in a zero mark for that quiz. The penalty does not apply for cases in which an application for special consideration (see the Disruption to Studies Policy below) is made and approved. In such cases the missed assessment will be covered by a supplementary assessment task, this could include an oral assessment task.

If students undertake a quiz off-campus, it is their responsibility to ensure the compatibility of the software they use with that of the university. Technical failures that occur when the quizzes are done off-campus cannot be verified by the university and would usually result in the student receiving zero for that quiz. The university computing labs are available throughout the weekend and have lab demonstrators to assist with technical issues.

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Assignment

Due: **October 7 2014 (week 8)**

Weighting: **20%**

Each student must submit their assignment by **4pm on Tuesday October 7 2014**. The assignment is submitted via BESS. The emphasis in the assignment will be on using economic theory and reasoning to solve economic problems. The questions in the assignment will be similar to those dealt with in the tutorials. This assignment will be worth 20% of your final mark in this unit.

A separate document with detailed instructions about the assignment, as well as the assignment questions, will be made available on the ECON111 iLearn page in week 5. Please note that no extensions will be granted. Late assignments will be accepted up to 72 hours after the submission deadline. There will be a deduction of 20% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late means a 40% penalty). The penalty does not apply for cases in which an application for special consideration (see the Disruption to Studies Policy below) is made and

approved. In such cases an extension of time to complete the assignment may be granted.

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Final Examination

Due: **University Examination Period**

Weighting: **60%**

End of unit three hour written examination, to be taken during the end of session examination period. The examination will cover material drawn from all parts of the unit's subject matter. The exam will consist of multiple choice questions and written-answer questions. The final exam will give you the opportunity to demonstrate your knowledge of basic economic concepts, the economic way of thinking and to use this knowledge to solve economic problems. All students who apply for special consideration (see the Disruption to Studies Policy below) in relation to the final exam will be required to sit a supplementary examination, if the special consideration application is approved. Please note that the supplementary examination, held during the university supplementary exam period, will have a different format to the original exam. There will not be any multiple choice questions, the supplementary examination will be based on written answers only. In addition it is reasonable to point out that because students who sit the supplementary examination usually have much longer to prepare for their examination, the supplementary examination will be more difficult and marked at a higher level than the original examination.

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Delivery and Resources

Classes There is 3 hours face-to-face teaching per week consisting of one two-hour lecture and a one-hour tutorial. Tutorial classes begin in week 2. A separate document detailing the tutorial program will be available on the unit web page by the end of week 1. The lectures are organised into several streams. Each stream covers the same material although the lectures may differ. The lecture streams are not interchangeable. It is imperative that you do not switch between lecture streams. Although the same content is covered in each stream, the lecturer may cover the material at a different pace, and in a slightly different way, in each stream. Hence you need to attend one stream.

The timetable for classes can be found at the university web site:

<http://www.timetables.mq.edu.au/>

Required and Recommended Texts and/or Materials The textbook in ECON111 S2 2014: McTaggart, D., Findlay, C. and Parkin, M., *Microeconomics with MyEconLab*, Pearson Australia, 7th Edition, 2013. The Co-op bookstore has this book and it is recommended that students purchase a copy. A copy of this book has been placed in the reserve section of the library. The publisher provides a range of support material for the textbook, including a website. Information on accessing this material is provided in the introduction to the text. The website material includes trial questions and quizzes. You may find it useful to devote some limited time to these questions and quizzes. They will give you some feedback on how your understanding is progressing. Note however that the bulk of your study time, outside of the classroom, should be devoted to studying

Additional References

Your recommended textbook will be more than adequate for this unit. Listed below are a series of other texts on microeconomics that you should feel free to consult if you wish. These books cover most of the material covered in your textbook, but each one does so in its own unique way. You may choose to consult these books if you feel that a slightly different presentation of the material might aid your understanding. These books have been placed in the reserve section of the library. Hubbard, G., Garnett, A., Lewis, P. and O'Brien, T., *Microeconomics*, Pearson Education, Australia, 2011. Swann, M. and McEachern, W.A., *Microeconomics: A Contemporary Introduction*, Thomson, Australia, 3rd Edition, 2006.

Technology Used and Required

Unit Web Page The unit uses the learning management system (iLearn) that can be accessed via iLearn.mq.edu.au. The lecture slides for each week's lecture will be posted on the unit web page, before the lecture. You will find it useful to download the slides prior to the lecture, and bring them to the lecture. The web page is also used to post important notices from time to time. You should check this web page regularly. The unit web page has the facility to allow peer to peer discussion. The unit web page also allows students to put questions to an Online-Tutor. The Online-Tutor will attempt to answer your questions in a timely manner. If you have any problems accessing this web page you should go the Online Teaching Facility support web page at <http://online.mq.edu.au/docs/tecinf.html>

Learning and Teaching Activities

This unit is taught as a mix of tutorials and lectures. The lectures are designed to provide the tools which can then be applied in tutorials.

Lectures – large group learning (2 hours each teaching week)

Lectures are intended to provide an overview of the key concepts explored in the unit. Students are expected to read the relevant chapters before each lecture. Independent learning Econ111 relies heavily on independent learning where students read the relevant chapter, revise lecture notes and prepare answers to the tutorial questions.

Tutorials – small group learning (1 hour each teaching week beginning in Week 2)

Tutorials constitute a critical learning experience of this unit and students must attend. Group work is an essential part of this learning. In econ111 we emphasise peer-to-peer learning by working as a group through the exercises and learning from others. Your tutor's role is to help you understand the material. Ask your tutor for guidance on how to approach questions and problems.

After the tutorials – the learning continues

At the end of each week, review your tutorial notes, compare your answers to those of friends, members of your group and the discussion board. Note that model answers will not be provided. You get the answers by engaging in all the above activities.

Peer-Assisted Learning (PAL) PAL is available in econ111. Please see the unit iLearn page for more information.

Unit Schedule

LECTURES, READINGS & UNIT DIARY

Week	Lecture (Topics)	Textbook Reading	Pages	Tutorial & Special Dates
1	I. Introduction			
	II. What is Economics?	Chapter 1 (incl. Appendix)	1-25	Tutorial Information available on iLearn in week 1
	III. The Economic Problem (Introduction to the Production Possibility Frontier)	Chapter 2	30-32	
2	The Economic Problem	Chapter 2	33-44	Tutorial 1: What is Economics?
3	Demand and Supply	Chapter 3 (incl. Mathematical Note)	51-74	Tutorial 2: The Economic Problem (Tutorial assessment begins)
4	Elasticity	Chapter 4	79-96	Tutorial 3: Demand and Supply

	Online Quiz 1	Opportunity Cost and the Production Possibility Frontier Demand and Supply		
5	I. Efficiency	Chapter 5	104-111	Tutorial 4: Elasticity
	II. Government Actions in Markets	Chapter 6	123-128	
6	I. Government Actions in Markets (continued) II. Economics of the Environment	Chapter 6 Chapter 9	129-137 193-201	Tutorial 5: Efficiency and Government Actions in Markets
7	Consumer Choices and Constraints	Chapter 12	261-276	Tutorial 6: Government and Environment
	Session Break: September 20 to October 6			
8	Producer Choices and Constraints	Chapter 13	281-298	Assignment due
	Online Quiz 2	Elasticity Efficiency Environment Government Actions in Markets		
9	Producer Choices and Constraints (continued)	Chapter 13	281-298	Tutorial 7: Consumers Choices & Constraints
10	Perfect Competition	Chapter 14	305-326	Tutorial 8: Producers Choices & Constraints
11	Monopoly	McTaggart, et. al. (5th Ed) NB: Chapter will be provided via iLearn		Tutorial 9: Perfect Competition
12	Monopolistic Competition Oligopoly Games and Strategies (lecturers may commence this topic if time permits)	Chapter 15 Chapter 16	331-343 349-358	Tutorial 10: Monopoly
	Online Quiz 3	Consumer Choices and Constraints Producer Choices and Constraints Market Structure (Perfect competition and Monopoly)		
13	I. Oligopoly Games and Strategies	Chapter 16	349-358	Tutorial 11: Imperfect Competition

Learning and Teaching Activities

Lectures - large group learning (2 hours each teaching week)

Lectures are intended to provide an overview of the key concepts explored in the unit. Students are expected to read the relevant chapters before each lecture.

Independent learning

Econ111 relies heavily on independent learning where students read the relevant chapter, revise the lecture notes and prepare answers to the pre-set tutorial questions.

Tutorials - small group learning (1 hour each teaching week beginning in Week 2)

Tutorials constitute a critical learning experience of this unit and students must attend them. Group work is an essential part of this learning. In Econ111, we emphasise peer-to-peer learning by working as a group through the exercises and learning from others (the tutor and fellow students). Participation in question and answer (Q&A) in class will allow you to not only learn, but develop the ability to communicate what you have learnt to others. This will in turn reinforce your learning. Your tutor's role is to help you understand the topics by showing how tools learnt in lectures are applied in the tutorial. Your tutor should be your first point of contact if you encounter any difficulties with the course material or tutorial exercises. Ask your tutor for guidance on how to approach questions/difficulties.

After the tutorials - the learning continues

At the end of each week, review your tutorial notes, compare your answers to those of your friends/group and consult the discussion board for further postings on the topic. NOTE: Model answers to tutorial questions WILL NOT be provided. You are required to attend your allocated class to receive feedback and answers, as well as to participate in Q&A.

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

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

Disruption to Studies Policy 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/

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

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.businessandconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/how_do_i/grade_appeals/

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) 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

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

Discipline Specific Knowledge and Skills

Our graduates will take with them the intellectual development, depth and breadth of knowledge, scholarly understanding, and specific subject content in their chosen fields to make them competent and confident in their subject or profession. They will be able to demonstrate, where relevant, professional technical competence and meet professional standards. They will be able to articulate the structure of knowledge of their discipline, be able to adapt discipline-specific knowledge to novel situations, and be able to contribute from their discipline to inter-disciplinary solutions to problems.

This graduate capability is supported by:

Learning outcomes

- Demonstrate a solid understanding of microeconomic theory.
- Recognize how microeconomic theory aids decision-making by individuals, business and government.
- Undertake any future studies in economics with increased confidence.
- Recognise how economic theory can explain observed human behaviour.

Assessment tasks

- Tutorial Assessment
- Online Quiz
- Assignment
- Final Examination

Critical, Analytical and Integrative Thinking

We want our graduates to be capable of reasoning, questioning and analysing, and to integrate and synthesise learning and knowledge from a range of sources and environments; to be able to critique constraints, assumptions and limitations; to be able to think independently and systemically in relation to scholarly activity, in the workplace, and in the world. We want them to have a level of scientific and information technology literacy.

This graduate capability is supported by:

Learning outcomes

- Recognize how microeconomic theory aids decision-making by individuals, business and government.
- Undertake any future studies in economics with increased confidence.
- Recognise how economic theory can explain observed human behaviour.

Assessment tasks

- Tutorial Assessment
- Online Quiz
- Assignment
- Final Examination

Problem Solving and Research Capability

Our graduates should be capable of researching; of analysing, and interpreting and assessing data and information in various forms; of drawing connections across fields of knowledge; and they should be able to relate their knowledge to complex situations at work or in the world, in order to diagnose and solve problems. We want them to have the confidence to take the initiative in doing so, within an awareness of their own limitations.

This graduate capability is supported by:

Learning outcomes

- Undertake any future studies in economics with increased confidence.
- Apply microeconomic principles to solve problems.

Assessment tasks

- Tutorial Assessment
- Assignment
- Final Examination

Effective Communication

We want to develop in our students the ability to communicate and convey their views in forms effective with different audiences. We want our graduates to take with them the capability to read, listen, question, gather and evaluate information resources in a variety of formats, assess, write clearly, speak effectively, and to use visual communication and communication technologies as appropriate.

This graduate capability is supported by:

Learning outcome

- Communicate effectively on microeconomic issues.

Assessment tasks

- Tutorial Assessment
- Final Examination

Changes since First Published

Date	Description
05/08/2014	Deleted the link to the defunct special consideration policy.