



# ECON203

## Microeconomic Analysis

S2 Day 2017

*Dept of Economics*

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## General Information

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Credit points

3

Prerequisites

15cp at 100 level or above including ECON111

Corequisites

Co-badged status

Unit description

This is an intermediate-level unit in theoretical and applied microeconomics. Topics include: consumer choice and the theory of demand; consumer welfare measurement; labour supply; intertemporal consumption; choice under uncertainty; theory of the firm; production and cost theory; profit maximisation; perfect competition; monopoly; oligopoly; game theory; and general equilibrium.

## 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:

Knowledge and Understanding: recognise how principles of microeconomic is relevant in understanding decision-making by economic agents.

Problem solving and critical thinking: Demonstrate creativity and critical thinking and the ability to apply theoretical understanding of microeconomics to real life economic problems.

Ethics: Demonstrate ability to evaluate economic theory and real world applications in the context of equity considerations.

Communication: Develop communication skills to effectively demonstrate the understanding of economic ideas and professional presentation with help of quantitative and visual support.

## Assessment Tasks

Name	Weighting	Hurdle	Due
<a href="#"><u>Tutorial</u></a>	10%	No	Before next tutorial begins
<a href="#"><u>Online Quizzes</u></a>	20%	No	Weeks 3, 6, 9, 12
<a href="#"><u>Research report</u></a>	20%	No	Week 10
<a href="#"><u>Final Examination</u></a>	50%	No	University Examination Period

### Tutorial

Due: **Before next tutorial begins**

Weighting: **10%**

Tutorials constitute a critical learning experience of this unit, within which the tutor will facilitate a highly student-centred discussion of answers to pre-set questions. A tutorial is also an active forum to present to the tutor difficulties you may have encountered when preparing for the questions. Students are required to participate in tutorial classes and submit homework in order to earn 10% of the unit mark.

Tutorial assessment: Altogether tutorial homework and participation will contribute 10% to your final mark in this unit (Homework (5%) and Participation (5%)).

1. **Homework** requires students to do the following: a) Post a response to your online discussion board every week on time i.e., BEFORE the next tutorial. This is *mandatory* towards the homework mark. Therefore, if you do not post your response to the online

discussion board before beginning of next weeks tutorial you are not eligible for any homework mark for that week. b) attempt tutorial questions before each class and submit the answers to the tutor. *You will get a homework mark only if you have posted your response on the online discussion board for your group and submitted your homework on time.* You will be awarded the entire 5% if you submit homework for at least 9 tutorial classes (out of 12 in total). For each submission less than 9, 1% will be deducted from the 5% allocated for homework (i.e, if you make 8 submissions, you will be awarded 4%; 7 submissions 3% and so on. If you make 4 or fewer submissions you will not receive any marks for this component). To make each submission count: (i) you must attempt at least 2 questions. (Note that it does not matter if your answer is right or wrong, your attempt is what to be counted); (ii) your answer must be written and your tutor will check it at the beginning of the class each week.

2. **Participation** will assess how active you are in the class and online discussion board. The in class participation assessment will include how often you answer your tutor's question; and/or volunteer to work out the solution on white board. For the final assessment your participation from ten (of the twelve) tutorials will count towards your final grade. Thus, only if you are absent for more than two tutorials, should you apply for Disruption to Studies. Based on your activity throughout the whole session, you will be awarded the whole 5% or a part thereof. It is your responsibility to get engaged in the tutorial class, that means if you prefer to sit back and just listen, you may receive 0% for this component. (Note that: there is no mark for attendance only.). It is strongly recommended that students make themselves available and attend as many tutorials as possible.

**Disruption to studies:** If you are unable to attend a class due to *illness or misadventure*, you may apply for Disruption to Studies (see the *Policies and Procedures* section for details). Please note the best 10 of your 12 tutorial submission and participation are summed for the 10%. Only if you miss *more than* two tutorial submissions should you apply for disruption to studies. And if you get approval, you will be required to submit an alternative homework tasks based on the number of missed tutorials. The submission time and date is set by the Unit Convenor. These details are not negotiable. This task could be an oral task.

*Facts you may need to know:*

(i) *Even though tutorial solutions will be made available on iLearn at the end of each week, those are mere guide only and tutors explain them in details during the tutorials. Thus do NOT rely only on the published solution for understanding, rather attend the tutorials.*

(ii) *Statistics show that among those who failed, 50% of them got zero in tutorial assessment.*

*That means had they participated during the tutorials and submitted homework regularly, they would have passed the unit.*

On successful completion you will be able to:

- Knowledge and Understanding: recognise how principles of microeconomic is relevant in understanding decision-making by economic agents.
- Problem solving and critical thinking: Demonstrate creativity and critical thinking and the ability to apply theoretical understanding of microeconomics to real life economic problems.
- Ethics: Demonstrate ability to evaluate economic theory and real world applications in the context of equity considerations.

## Online Quizzes

Due: **Weeks 3, 6, 9, 12**

Weighting: **20%**

There will be 4 online quizzes in this course, and each containing 25 multiple choice questions. They are of equal weight and together they will contribute 20% to your total mark in the unit. Each student will most likely face a slightly different set of questions. The quizzes will be accessed online through the unit web page at <http://ilearn.mq.edu.au>. The opening and closing dates and time for each quiz. are as follow:

Quiz 1: Open: 9am Saturday 19 August; and Close: 11pm Monday 21 August.

Quiz 2: Open: 9am Saturday 9 September; and Close: 11pm Monday 11 September.

Quiz 3: Open: 9am Saturday 14 October; and Close: 11pm Monday 16 October.

Quiz 4: Open: 9am Saturday 04 November; and Close: 11pm Monday 06 November.

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 disruption to studies is made and approved. In this case, students will have to complete an alternative quiz.

Students must be aware that IT failures may occur, and that with large numbers of students, congestion can at times limit access. It is the student's responsibility to plan for these possibilities, and completion of the quiz soon after release is strongly advised.

Read the "Instruction for Online Quizzes" carefully before attempting.

On successful completion you will be able to:

- Knowledge and Understanding: recognise how principles of microeconomic is relevant in understanding decision-making by economic agents.
- Problem solving and critical thinking: Demonstrate creativity and critical thinking and the

ability to apply theoretical understanding of microeconomics to real life economic problems.

- Ethics: Demonstrate ability to evaluate economic theory and real world applications in the context of equity considerations.

## Research report

Due: **Week 10**

Weighting: **20%**

You are required to prepare a research report to be submitted in Week 10, contributing 20% to the overall grade. The details of the research report will be available on iLearn in Week 5. The research report is aimed at encouraging students to investigate ethical and sustainability issues in the society along with written communication skills using material outside the assigned text.

**Submission:** Submission of the research report must be made to Turnitin on iLearn by 5pm on Monday, 16th October 2017. Detailed instructions on submission will be provided as separate document in Week 5. Guidance on how to submit a Turnitin assignment may be accessed from: [http://mq.edu.au/iLearn/student\\_info/assignments.htm#turnitin](http://mq.edu.au/iLearn/student_info/assignments.htm#turnitin).

**Report marking:** The research report will be marked on the basis of the marking criteria, which will be provided on iLearn in Week 5.

**Extensions/Penalties:** No extension will be granted. There will be a deduction of 10% if the total available marks made from the total awarded marks for each 24 hour period of part there off that the submission is made (for example, 25 hours late in submission - 20% penalty). This penalty shall not apply for cases where Disruption of Studies is made and approved.

The following learning outcomes are going to be addressed through this assessment task:

- Demonstrate knowledge and understanding of the analytical skills relevant to the assessment of different theories and models of microeconomics.
- Demonstrate creativity and critical thinking in challenging the students to apply theoretical understanding of economics to real life economic problems.
- Demonstrate the ability to effectively communicate theories and knowledge of microeconomics in technical and non-technical language.

On successful completion you will be able to:

- Knowledge and Understanding: recognise how principles of microeconomic is relevant in understanding decision-making by economic agents.
- Problem solving and critical thinking: Demonstrate creativity and critical thinking and the ability to apply theoretical understanding of microeconomics to real life economic problems.
- Ethics: Demonstrate ability to evaluate economic theory and real world applications in

the context of equity considerations.

- Communication: Develop communication skills to effectively demonstrate the understanding of economic ideas and professional presentation with help of quantitative and visual support.

## Final Examination

Due: **University Examination Period**

Weighting: **50%**

A 2 hour final examination for this unit will be held during the University Examination period. For details check: <http://www.timetables.mq.edu.au/exam>. The examination will contain multiple choice questions and written-answer questions.

The conditions for the requesting and granting of Disruption to Studies are set out in the Policies and Procedures section of this Unit Guide. If a Supplementary Examination is granted as a result of the Disruption to Studies process, the examination will be scheduled after the conclusion of the official examination period. You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester, the final day of the official examination period. Also, although the material coverage for the Supplementary exam would be the same as the final exam, **it will include ALL written answers questions (NO multiple choice questions).**

On successful completion you will be able to:

- Knowledge and Understanding: recognise how principles of microeconomic is relevant in understanding decision-making by economic agents.
- Problem solving and critical thinking: Demonstrate creativity and critical thinking and the ability to apply theoretical understanding of microeconomics to real life economic problems.
- Ethics: Demonstrate ability to evaluate economic theory and real world applications in the context of equity considerations.

## Delivery and Resources

### Classes

This unit provides 3 hours face-to-face teaching per week. It consists of two-hour lectures and one-hour tutorials (there are NO tutorials in the first week of semester and in Week 7 due to the class test). The timetable for lectures and tutorials can be found on the University web site at: <http://www.timetables.mq.edu.au>.

Lecture slides will be available on the unit web page at <http://ilearn.mq.edu.au>. Please consult the Unit Schedule for the lecture topics in each week. During the semester, unforeseen circumstances may require the cancellation of some lectures and/or tutorials. Any changes will

be announced as far as possible in advance on the unit web page.

Attendance is highly recommended. Students who miss classes put themselves at a considerable disadvantage for several reasons, including:

1. Not all material in the required text is covered in the unit, and not all the unit material is covered in the required text. In some places the text deals with issues in greater depth than is necessary for the unit, and in other places it does not go far enough. The lectures contain all the unit material taught at the level that is required for successful completion of tutorial exercises, and they are your guide to the content of the unit.
2. In some of the tutorials you will learn the techniques to solve quantitative problems, while lectures may not deal with all of these techniques, however, deal mainly with the underlying theory and some problem-solving questions which may not be covered in the tutorials.
3. The lectures will include **significant guidance** about the style and content of the final exam and recommendation about the study techniques.
4. It is difficult and often impossible for the lecturer 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

### Required Textbook

**Perloff, J.M. (2016) Microeconomics (7th Ed), Pearson** (Mentioned elsewhere as the textbook)

The text is available for purchase at Co-op Bookshop. A small number are available on reserve in the library. This text is accompanied by MyEcon Lab. Details on logging on to access My EconLab are provided below. This resource is available for student's practice and is not assessed for the unit.

#### **My Econ Lab log on instructions:**

1. Go to [www.pearsonmylabandmastering.com](http://www.pearsonmylabandmastering.com).
2. Under Register, select Student.
3. Confirm you have the information needed, then select OK! Register now.
4. Enter your instructor's course ID: sinha20173, and Continue.
5. Enter your existing Pearson account username and password to Sign In.



## Supplementary General Texts

You may find other intermediate microeconomic texts useful:

Pindyck R.S. and Rubinfeld D.L. (2013), Microeconomics (8th Ed), Pearson International Edition.

Nechyba, T.J. (2011), Microeconomics: An Intuitive Approach with Calculus (1st Ed), South-Western.

Varian, H.R. (2014), Intermediate Microeconomics: A Modern Approach (9th Ed), New York: Norton.

Frank, R.H. (2010), Microeconomics and Behaviour (8th Ed), Boston: McGraw-Hill.

## Mathematical detail

Henderson, J.M and E. Quandt (1980), Microeconomic Theory: A Mathematical Approach. McGrawHill

Dowling, E.T. (1980), Introduction to Mathematical Economics (2nd ed), Schaum's Outline Series McGrawHill.

## Unit Schedule

1. There are 12 topics to be covered over the 13-week semester. Some topics are longer than others, thus the numbering of topics below is tentative and not related to the number of lecture weeks.

2. It is essential that students either attend the lecture class or watch the iletecture for each topic on a weekly basis.

Lecture Topic	Textbook's Chapter	Tutorial
1: Consumer Choice	Chapter 4	<b>Tutorial begins in Week 2</b> Note: You need to attend your registered tutorial class.
2: Applying Consumer Theory	Chapter 5	01. Consumer choice
3: Firms and Production	Chapter 6	02. Applying Consumer theory
4: Costs	Chapter 7	03. Firms and production
5: Competitive firms and markets	Chapter 8,9	04. Costs
6: General Equilibrium	Chapter 10	05. Competitive firms and markets
7: Monopoly, Pricing and advertising	Chapters 11 & 12	06. General Equilibrium
8: Oligopoly and Monopolistic Competition	Chapter 13	07. Monopoly, pricing and advertising
9: Factor Markets	Chapter 15	08. Oligopoly and Monopolistic Competition
10: Game Theory	Chapter 14	09. Factor Markets

11: Externalities, Open-Access and Public Good	Chapter 18	10. Game Theory
12: Asymmetric Information	Chapter 19	11. Externalities, Open-Access and Public Good
13: Revision Lecture		

## Learning and Teaching Activities

### Lectures - large group learning

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 in the textbook before each lecture.

### Learning by doing

ECON203 relies heavily on independent learning where students read the relevant chapters in the textbook, revise the lecture notes, prepare answers to the pre-set tutorial questions, and extend themselves by doing additional reading, questions, exercises, problems.

### Tutorials - small group learning

Tutorials constitute a critical learning experience of this unit and students should attend them. The tutor will facilitate a highly student-centred discussion of pre-set tutorial questions. A tutorial is also an active forum to present to the tutor difficulties you encountered when preparing for the tutorial questions. Ask your tutor questions and further guidance on how to approach questions. Students are expected to attempt the tutorial questions before each tutorial.

### Research Report

The students will be required to write a research report. This will encourage independent learning as students will be required to write a report on a real life economic problem based on their learning of ECON 203.

## 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\\_2016.html](http://mq.edu.au/policy/docs/assessment/policy_2016.html)

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

Complaint Management Procedure for Students and Members of the Public [http://www.mq.edu.au/policy/docs/complaint\\_management/procedure.html](http://www.mq.edu.au/policy/docs/complaint_management/procedure.html)

Disruption to Studies Policy (in effect until Dec 4th, 2017): [http://www.mq.edu.au/policy/docs/disruption\\_studies/policy.html](http://www.mq.edu.au/policy/docs/disruption_studies/policy.html)

Special Consideration Policy (in effect from Dec 4th, 2017): <https://staff.mq.edu.au/work/strategy->

[planning-and-governance/university-policies-and-procedures/policies/special-consideration](#)

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/)

## Results

Results shown in *iLearn*, or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit [ask.mq.edu.au](#).

## 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://www.mq.edu.au/about\\_us/offices\\_and\\_units/information\\_technology/help/](http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/).

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources 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

- Knowledge and Understanding: recognise how principles of microeconomic is relevant in understanding decision-making by economic agents.
- Problem solving and critical thinking: Demonstrate creativity and critical thinking and the ability to apply theoretical understanding of microeconomics to real life economic problems.
- Ethics: Demonstrate ability to evaluate economic theory and real world applications in the context of equity considerations.

#### Assessment tasks

- Tutorial
- Online Quizzes
- Research report
- 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

- Knowledge and Understanding: recognise how principles of microeconomic is relevant in understanding decision-making by economic agents.
- Problem solving and critical thinking: Demonstrate creativity and critical thinking and the

ability to apply theoretical understanding of microeconomics to real life economic problems.

- Ethics: Demonstrate ability to evaluate economic theory and real world applications in the context of equity considerations.

## Assessment tasks

- Research report
- 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

- Problem solving and critical thinking: Demonstrate creativity and critical thinking and the ability to apply theoretical understanding of microeconomics to real life economic problems.
- Ethics: Demonstrate ability to evaluate economic theory and real world applications in the context of equity considerations.

## Assessment tasks

- Research report
- 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 outcomes

- Ethics: Demonstrate ability to evaluate economic theory and real world applications in the context of equity considerations.
- Communication: Develop communication skills to effectively demonstrate the

understanding of economic ideas and professional presentation with help of quantitative and visual support.

## **Assessment tasks**

- Tutorial
- Research report

## **Changes from Previous Offering**

The following changes have been made from the previous offering;

1. Students are given a new text.
2. Unit outline has changed
3. MyEcon Lab has been added as an additional resource for students practice in their own time. This is not assessed.