



# ECON111

## Microeconomic Principles

S3 Day 2017

*Dept of 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

Unit convenor and teaching staff

Unit Convenor

Prashan Karunaratne

[prashan.karunaratne@mq.edu.au](mailto:prashan.karunaratne@mq.edu.au)

Contact via "Send the Unit Convenor - Prashan - an email" link on iLearn

E4A 449

TBA via iLearn

Business & Economics Student Services

BESS

[ask.mq.edu.au](mailto:ask.mq.edu.au)

Contact via E4B 106

ALL SPECIAL CONSIDERATION ENQUIRIES

Monday - Friday - 9:00 a.m. to 5:00 p.m.

BESS

ALL NON-ECON111 UNIVERSITY RELATED ENQUIRIES

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Credit points

3

Prerequisites

Corequisites

Co-badged status

Unit description

This unit provides 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, i.e. with microeconomics. Topics include: consumer choice and demand analysis; the firm and its production and costs; market structures from perfect competition to monopoly; 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:

Recognise and communicate the importance of microeconomics in the Australian and global economies.

Knowledge and understanding: Recognise how principles of microeconomics are relevant in understanding decision-making by individuals, business and government.

Problem solving: 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

Name	Weighting	Hurdle	Due
<a href="#">Weekly Online Quiz &amp; Feedback</a>	10%	No	Weekly from Week 2
<a href="#">Weekly Tute Work &amp; Feedback</a>	10%	No	Weekly from Week 2
<a href="#">Assignment</a>	30%	No	December 21 AND January 9
<a href="#">Final Examination</a>	50%	No	University Examination Period

### Weekly Online Quiz & Feedback

Due: **Weekly from Week 2**

Weighting: **10%**

There will be online quizzes conducted weekly throughout the session from Week 2 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. As some of these quizzes are before the census date, you will get immediate feedback for your decision to drop or continue in the unit.

**From Week 2 and onwards, two to three quizzes will be released weekly at 1 a.m. on Monday of each week and closed at 11:59 p.m. on the following Sunday. Each quiz will be about each topic.**

Together the online quizzes will contribute 10% to your final mark in this unit. The best 4 out of all released quizzes will count towards your online quiz mark. Quizzes will be released every

week from Week 2 to Week 5.

***The purpose of the quizzes is to check your understanding of the unit material on a regular basis. While only the best 4 attempts count, you are STRONGLY recommended to attempt as many quizzes as possible to check on your ongoing progress in the unit, as well as to receive immediate feedback.***

Please note that no extensions will be granted. Failure to complete any quiz will result in a zero mark for that quiz. As only the best 4 quizzes will be counted, you need not apply for special consideration unless you have a serious misadventure that prevents you from attempting at least 4 quizzes.

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.

A practice quiz will be provided on iLearn in order to familiarise yourself with these quizzes.

**If you have a valid reason that prevents you from attempting at least 4 quizzes throughout the session please consult BESS for advice on the Special Consideration Policy.**

On successful completion you will be able to:

- Recognise and communicate the importance of microeconomics in the Australian and global economies.
- Knowledge and understanding: Recognise how principles of microeconomics are relevant in understanding decision-making by individuals, business and government.

## Weekly Tute Work & Feedback

Due: **Weekly from Week 2**

Weighting: **10%**

Tutorial home-work submission will comprise 5% and participation within the tutorial via questions and answers will make up the remaining 5%. Each week, students will be required to submit one-quarter of their tutorial questions as home-work. A tutorial will generally consist of four questions, thus, one designated question each week will require submission. Submission details will be explained in your first tutorial as well as via iLearn.

***The purpose of the home-work submission is to give you an incentive to attempt some of the questions prior to the tutorial in order to gain maximum benefit from the tutorial discussions.***

A separate document with detailed instructions about the tutorial format and assessment will be made available on the unit web page. Your tutor/s will also outline tutorial requirements to you in your first tutorial. The rubric for the tutorial participation mark will be in the tutorial guide which is

available on iLearn.

The emphasis in marking the tutorial participation will be on how well you prepare for class. You will be placed in groups by your tutor to assist you with tutorial preparation. 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.

**You are expected to attend all tutorials.**

**If you have** an unavoidable disruption/s, you may apply for special consideration. If that application is approved the attendance and home-work submission requirement will be altered for that tutorial - please email the unit convenor for the alternate arrangement.

The rubric for the tutorial participation mark will be in the tutorial guide which is available on iLearn.

**Please consult BESS for advice on the Special Consideration Policy.**

On successful completion you will be able to:

- Recognise and communicate the importance of microeconomics in the Australian and global economies.
- Knowledge and understanding: Recognise how principles of microeconomics are relevant in understanding decision-making by individuals, business and government.
- Problem solving: 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.

## Assignment

Due: **December 21 AND January 9**

Weighting: **30%**

Due: Part 1 (of 2) Tuesday 21st December 21st at 9:00 a.m. in the timetabled class venue, and (Part 2 of 2) Tuesday, 9th January by 4:15 p.m. via Turn-It-In and BESS.

The assignment questions will be released at the end of Week 02. The assignment will comprise of 8 questions that will be submitted in two parts:

Part 1 (of 2) - 4 questions will be selected at random from the 8 questions. The responses to these 4 questions will be submitted via an invigilated submission during the class time and location of **December 21st, 2017; 9:00 a.m.**

Part 2 (of 2) - the remaining 4 questions from the 8 questions. The responses to these 4 questions will need to be submitted electronically via Turn-It-In, as well as a hard copy via BESS by **January 9th, 2018; 4:15 p.m.**

Marks and feedback for each of these two parts will be provided separately. Both parts are equally weighted within the overall assignment.

**Detailed instructions for submission will be available on iLearn.** Late assignments that have not followed the Special Considerations Policy will incur a penalty of 12.5% per 24 hours.

***The purpose of the assignment is to 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 in relation to the assignment will be given an extension for their submission in discussion with the Unit Convenor.

**Please consult BESS for advice on the Special Consideration Policy.**

On successful completion you will be able to:

- Recognise and communicate the importance of microeconomics in the Australian and global economies.
- Knowledge and understanding: Recognise how principles of microeconomics are relevant in understanding decision-making by individuals, business and government.
- Problem solving: 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.

## Final Examination

Due: **University Examination Period**

Weighting: **50%**

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 purpose of the final exam is to 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 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, may have a different format to the original exam.

Sample final exam questions, answers and indicative marks will be available on iLearn.

**Please consult BESS for advice on the Special Consideration Policy.**

On successful completion you will be able to:

- Recognise and communicate the importance of microeconomics in the Australian and global economies.
- Knowledge and understanding: Recognise how principles of microeconomics are relevant in understanding decision-making by individuals, business and government.
- Problem solving: 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

### Recommended Textbook:

Students are recommended to purchase this textbook:

- Parkin, M., *Microeconomics: Australia in the Global Economy*, Pearson

### Additional References (in alphabetical order):

Apart from, or in addition to the textbook above, students may find the following resources useful as well. Most reputable microeconomic textbooks cover the same economic theories, but perhaps you may want to refer to supplementary chapters from these texts for topics that you need extra help on:

- Gans, J., King, S., & Mankiw, N. G. *Principles of Microeconomics: Australia and New Zealand Edition*, Cengage Learning
- McEachern, W., *Microeconomics: A Contemporary Introduction*, Cengage Learning
- McTaggart, Findlay and Parkin, *Principles of Microeconomics*, Pearson Education, Australia.
- Stiglitz, J., *Introductory Microeconomics: Australian Edition*, Wiley

### Technology Used and Required

Unit Web Page The unit uses the learning management system (iLearn) that can be accessed via [iLearn.mq.edu.au](https://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.

## 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 for each topic)

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 for each topic)

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 teaching day, 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.

## Unit Schedule

Topic #	Topic Content covered *	Threshold Concepts engaged - Generic Skills for Viewing the World with an Economics Lens	Chapter
1	Introduction to Economics Production Possibilities Frontier	Economic Models Opportunity Cost	1, 2, 3
2	Specialisation I - Comparative Advantage Specialisation II - Division of Labour	Opportunity Cost Comparative Advantage	3, 13
3	Demand & Supply	Economic Models Equilibrium & Disequilibrium	4
4	Elasticity	Elasticity	5



5	Efficiency, Equity, and Ethics	Welfare & Efficiency	6
6	Government Actions in Markets	Welfare & Efficiency	7, 8
7	Externalities & Public Goods	Welfare & Efficiency	10, 11
8	Global Markets & Trade	Economic Models Opportunity Cost Marginal Analysis	9
9	Producer Theory	Economic Models Opportunity Cost Marginal Analysis	13
10	Perfect Competition	Opportunity Cost Marginal Analysis Markets - Interactions & Structures	14
11	Monopoly	Markets - Interactions & Structures Welfare & Efficiency	15
12	Monopolistic Competition	Markets - Interactions & Structures Elasticity	16
13	Oligopoly	Economic Models Markets - Interactions & Structures	17

**\* The Unit Schedule is subject to change depending on the lecture pace. Any alterations will be advised via iLearn. The reading list is available on iLearn.**

**The Session 03 timetable differs from week-to-week - a detailed schedule will be made available on iLearn - you are expected to follow this closely. For example: The schedule in Week 01 is not the same as the schedule in Week 02. Please do not rely on e-Student as it may be confusing to you.**

## Learning and Teaching Activities

Lectures - large group learning (2 hours for each teaching

## topic)

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 for each teaching topic)

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 teaching day, 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](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](#).

## 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.businessandconomics.mq.edu.au/new\\_and\\_current\\_students/undergraduate\\_current\\_students/how\\_do\\_i/grade\\_appeals/](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](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**

- Recognise and communicate the importance of microeconomics in the Australian and global economies.
- Knowledge and understanding: Recognise how principles of microeconomics are relevant in understanding decision-making by individuals, business and government.
- Problem solving: 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**

- Weekly Online Quiz & Feedback
- Weekly Tute Work & Feedback
- 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**

- Knowledge and understanding: Recognise how principles of microeconomics are relevant in understanding decision-making by individuals, business and government.
- Problem solving: Apply theoretical understanding of microeconomics to real life economic problems.

## **Assessment tasks**

- Weekly Online Quiz & Feedback
- Weekly Tute Work & Feedback
- 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 outcomes

- Recognise and communicate the importance of microeconomics in the Australian and global economies.
- Problem solving: 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

- Weekly Tute Work & Feedback
- Assignment
- Final Examination

## Engaged and Ethical Local and Global citizens

As local citizens our graduates will be aware of indigenous perspectives and of the nation's historical context. They will be engaged with the challenges of contemporary society and with knowledge and ideas. We want our graduates to have respect for diversity, to be open-minded, sensitive to others and inclusive, and to be open to other cultures and perspectives: they should have a level of cultural literacy. Our graduates should be aware of disadvantage and social justice, and be willing to participate to help create a wiser and better society.

This graduate capability is supported by:

### Learning outcomes

- Recognise and communicate the importance of microeconomics in the Australian and global economies.
- Knowledge and understanding: Recognise how principles of microeconomics are relevant in understanding decision-making by individuals, business and government.
- Ethics: Demonstrate ability to evaluate economic theory and real world applications in the context of equity considerations.

## Assessment tasks

- Assignment
- Final Examination

## Lecture Streams

Experience and feedback from past years indicate that students who miss an on-site lecture, and thus decide to watch pre-recorded lectures end up delaying the viewing of these. Students have reported that they themselves create a negative situation having accumulated too many hours of pre-recorded lectures to be viewed - and thus feel overwhelmed. Experience and feedback from students also indicates that watching a pre-recorded 2 hour lecture actually ends up taking 3 or more hours - due to continuous pausing and re-playing - thus ending up taking more time than originally intended or envisaged.

It must be noted that, the university and the The Tertiary Education Quality Standards Agency (TEQSA), has listed the unit as "internal". Therefore, the expectation from staff, the university and TEQSA is that you are physically attending classes on-site. Innovations such as iLecture and EchoALP are provided as a supplement to assist in your study experience and journey at Macquarie University. These innovations are not intended as a substitute. This is because the unit is not listed as "external" - in other words, it is not a component of an online degree. The fees you pay, either deferred fees or upfront fees, are reflective of the extra resources and facilities required for an internal offering of the unit.

Furthermore, you will miss out on the "full" university experience by not being on-site, physically interacting with staff, physically interacting with peers and practising real-world social skills and collegiality that a university campus provides as training for your future careers.

It must be further noted that, the lectures in ECON111 are very dynamic and not static. The lecture recordings - via EchoALP simply capture the audio of the lecturer's voice and the video of the projections on the main theatre screen. The video recordings are unable to record the various classroom interactivities, demonstrations and experiments. This is because the video recordings simply capture what has been projected onto the main theatre screen. Furthermore, theatres at Macquarie University have multiple screens which at times the lecturers will utilise to display various content. In this instance again, the video recording is only able to capture the content on a single (the main) screen.

**Finally, if you take part in all learning and teaching activities on a regular basis - you will be setting up yourself to not only pass but excel in ECON111 !**

**PLEASE REMEMBER THAT ALL STAFF INVOLVED IN ECON111 ARE HERE TO FORWARD AND NOT HINDER YOUR LEARNING.**

**WE ARE ALWAYS AVAILABLE AND READY TO ASSIST YOU IN ALL MATTERS RELATED TO ECON111. PLEASE COME AND SAY, " Hi !" .**