ECON632

Intermediate Microeconomics

S1 Evening 2017

Dept of Economics

Contents

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General Information

Unit convenor and teaching staff
Unit Convenor
Geoffrey Kingston
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Contact via geoff.kingston@mq.edu.au
E4A 411
Friday 3 - 4.pm

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.

Assessment Tasks

Name	Weighting	Hurdle	Due
Class Test	20%	No	7 April 2017
Review essay	20%	No	6pm Friday 05/05/17
Final Examination	60%	No	University Examination Period

Class Test

Due: **7 April 2017**
Weighting: **20%**

A 60-minute test will be held in place of the regular lecture in Week 6. 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 5.

Failure to attend the class test without the submission of an application regarding Disruption to Studies on the grounds of illness or unavoidable mishap, together with the required supporting documentation (see the *Policies and Precedures* section for details), will result in a mark of **zero** for the assessment. Failure to attend the class test followed up by a successful Disruption to Studies application will ensue in a extra assessment task.

On successful completion you will be able to:

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Review essay

Due: **6pm Friday 05/05/17**
Weighting: **20%**

Write a 1600 word summary and evaluation of any single one of the three 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 8. Late essays will be accepted up to 72 hours after the submission deadline. There will be a deduction of 10% 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 20% penalty). This penalty does not apply for cases in which an application for Disruption to Studies 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.
- Identify, define and analyse problems and recommend creative solutions within real-world constraints.
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- Be intellectually ready to participate in public policy discussions arising in business and government environments.

Final Examination

Due: **University Examination Period**
Weighting: **60%**

A 2 hour final examination for this unit will be held during the University Examination Period. The conditions for the requesting and granting of requests regarding Disruption to Studies 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.

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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 and tutorials: Friday 6pm-9pm, C5A 313.

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

Text

Perloff, J, Smith, R., Round , D (2014), Microeconomics, Pearson/Addison Wesley.

Reference

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.

Technology Used and Required

<u>Unit Web Page</u>

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.

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: Applying the supply-and-demand model

Perloff Ch 3

Week 3: Consumer choice; applying consumer theory

Perloff Chs 4, 5

Week 4: Firms & production; costs

 Perloff Chs 6,7

Week 5: Competitive firms & markets; applying the competitive model

Perloff Chs 7, 8

Week 6: Class test

Week 7: General equilibrium & economic welfare; monopoly

Perloff Chs 10 & 11

Week 8: Pricing & advertising, oligopoly & monopolistic competition

Perloff Chs 12, 13

Week 9: Game theory, factor markets

Perloff Chs 14, 15

Week 10: Interest rates, investments & capital markets; uncertainty

Perloff Chs 16, 17

Week 11: Externalities, open-access & public goods; information

 Perloff Chs 18, 19

Week 12: Contract & moral hazard

Perloff Ch 20

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

Assessment Policy 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

Disruption to Studies Policy (in effect until Dec 4th, 2017): 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/

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) 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://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

- 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.
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Assessment tasks

- Class Test
- Review essay
- Final Examination

Learning and teaching activities

- 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.

- 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.□

- 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.

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

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

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Changes from Previous Offering

Since 2015 Intermediate Microeconomics has used Microeconomics by Perloff, Smith and Round as the text. Microeconomics with Calculus by Perloff has been relegated to a reference.

Changes since First Published

Date	Description
24/02/2017	Lecture time and place updated