



ECON203

Microeconomic Analysis

S1 Day 2018

Dept of Economics

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General Information

Unit convenor and teaching staff

Unit convenor & Lecturer

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Tuesdays 12.30-1.30

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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 the help of quantitative and visual support.

Assessment Tasks

| Name | Weighting | Hurdle | Due |
|--------------------------|-----------|--------|-------------------------------|
| <u>Tutorial</u> | 5% | No | Every week |
| <u>Assignment 1</u> | 20% | No | Week 7 |
| <u>Assignment 2</u> | 25% | No | Week 11 |
| <u>Final Examination</u> | 50% | No | University Examination Period |

Tutorial

Due: **Every week**

Weighting: **5%**

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 in order to earn 5% of the unit mark.

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 Special Consideration. Based on your activity throughout the whole session, you will be awarded the whole 5% or a part thereof. Not attending and participating in any one tutorial (out of 10) without approval will result a loss of 0.5%. 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.

Failure to engage: If you are unable to attend a class due to *illness or misadventure*, you may apply for Special Consideration (see the *Policies and Procedures* section for details). Please note the best 10 of your 12 tutorial engagements are summed for the 5%. Only if you miss *more than* two tutorials should you apply for disruption to studies.

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

Assignment 1

Due: **Week 7**

Weighting: **20%**

This research based individual assignment will be based on the material from topics 1-5. Further details will be provided by week 2.

Assignment marking: The assignment will be marked on the basis of the marking criteria, which will be provided on iLearn.

Extensions/Penalties: Students who do not submit the assignment will be awarded a mark of 0, except for cases in which an application for 'Special Consideration' has been made and approved (see the *Policies and Procedures* section for details). 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 and part there off that the submission is made (for example, 25 hours late in submission means 20% penalty). This penalty shall not apply for cases where Disruption

of Studies is made and approved.

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 the help of quantitative and visual support.

Assignment 2

Due: **Week 11**

Weighting: **25%**

This research based individual assignment will be based on the material covered in the lecture. Further details will be provided in due course.

Assignment marking: The assignment will be marked on the basis of the marking criteria, which will be provided on iLearn.

Extensions/Penalties: Students who do not submit the assignment will be awarded a mark of 0, except for cases in which an application for 'Special Consideration' has been made and approved (see the Policies and Procedures section for details). 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 and part thereof that the submission is made (for example, 25 hours late in submission means 20% penalty). This penalty shall not apply for cases where Special Consideration is made and approved.

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 the 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>. Further details of the structure of the final examination will be provided in due course.

The conditions for the requesting and granting of Special Consideration 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. Students should also be aware that the supplemental exam will be thoroughly comprehensive of all material taught.

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

Lectures time and location:

Monday 6-8pm; Room 21WW MACTH

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 6 due to Easter Monday**). 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 will be provided in iLearn. This resource is available for student's practice and is not assessed for the unit.

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 12-week semester (**Due to Easter Monday there will not be any lecture or tutorial during the week of April 2**). 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 | Tutorial begins in Week 2 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 |
| No Lecture and Tutorial | | |
| 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 |

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 get further guidance on how to approach questions. Students are expected to attempt the tutorial questions before each tutorial.

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central>). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)
- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Undergraduate students seeking more policy resources can visit the [Student Policy Gateway](https://students.mq.edu.au/support/study/student-policy-gateway) (<https://students.mq.edu.au/support/study/student-policy-gateway>). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/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/study/getting-started/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

- 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
- Assignment 1
- Assignment 2
- 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

- Assignment 1
- Assignment 2

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 the help of quantitative and visual support.

Assessment tasks

- Tutorial
- Assignment 1
- Assignment 2

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

- 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

- Assignment 1
- Assignment 2