



ECON203

Microeconomic Analysis

S2 Day 2018

Dept of Economics

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General Information

Unit convenor and teaching staff

Unit convenor & Lecturer

Wylie Bradford

wylie.bradford@mq.edu.au

Contact via Email or iLearn

E4A 425

Tuesdays 10-12

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: Demonstrate recognition of how principles of microeconomics are relevant in understanding decision-making by economic agents.

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

Analytical skills: Evidence competence in the solution and interpretation of models in microeconomics.

Ethics: Exhibit the 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, including the presentation of both quantitative and visual material.

General Assessment Information

More detailed information on assessment tasks and expectations will be supplied via iLearn. All submissions in ECON203 will be electronic, via iLearn.

The extra-credit market mechanism will apply to the Application assessment tasks. Students will be presented with multiple choice questions to be answered live in lectures. Correct answers to these questions generate a pool of points for the cohort, and for individual students units of a course currency. At three points in the session (coinciding with the three submissions for the Application assessment) students can bid for points using their earned currency. The resulting market price determines for each student how many extra marks can be added to the marked result for an Application submission. The pool of extra-credit marks is reset for each Application submission (marks cannot be saved) but balances of 'currency' can be carried over. The market mechanism can be made richer through the addition of borrowing and lending currency (reflecting unit content on intertemporal choice) and the purchase of assets (e.g. 'stocks') that pay off randomly (reflecting the content the content on risk preference and decision-making under uncertainty). The aim is to provide students with an immersive experience in an actual market which reflects what is covered in the unit and which involves real (positive!) consequences.

Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Tutorial</u>	30%	No	Weekly
<u>Applications</u>	25%	No	Weeks 4,8,12
<u>Problem set</u>	15%	No	Weeks 5, 9,13
<u>Final Examination</u>	30%	No	University Examination Period

Tutorial

Due: **Weekly**

Weighting: **30%**

Tutorials constitute a critical learning experience of this unit, within which the tutor will facilitate discussion of the answers to pre-set questions. The purpose of the tutorial questions is to provide opportunities for detailed application to economic problems of the theoretical principles covered in lectures. The purpose of the tutorial classes is for students to improve their understanding of course material through comparison of their attempt with the guidance provided

by the tutor, by asking for clarification from the tutor of points of confusion, and for seeking insight from peers regarding their understanding of course material.

Students will be required to submit answers to tutorial questions each week in advance of their class. After class, a short reflection piece must be submitted which addresses how the student's understanding of the material has been enhanced by comparing their answer with what was expected, and what further insights they drew regarding the unit content through discussion in class. The reflective submission will count for one-third of the mark for a tutorial submission with the remaining two-thirds accounted for by the tutorial answer submission.

The tutorial submissions will be marked three times in the session. The marking will occur for three tutorial weeks chosen at random. The weeks to be marked will not be announced in advance. In order for a tutorial submission to be marked, it must be complete - there must be valid submissions for both the tutorial answers and the reflective component. **The reflective submission will only be valid if the tutorial class in question was attended.** Where attendance was not possible due to circumstances associated with a successful Special Consideration application, an alternative tutorial submission will be chosen for marking.

On successful completion you will be able to:

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- Analytical skills: Evidence competence in the solution and interpretation of models in microeconomics.
- Communication: Develop communication skills to effectively demonstrate the understanding of economic ideas, including the presentation of both quantitative and visual material.

Applications

Due: **Weeks 4,8,12**

Weighting: **25%**

The applications will involve the analysis of particular current economic issues either in Australia or overseas. A particular focus in these analyses will be the ethical aspects (fairness, distributive justice etc) of the policy or action in focus in terms of its effects both intended and unintended.

A rubric outlining the performance expectations and marking criteria will be supplied on iLearn.

Throughout the unit a market in extra-credit points will be running. These extra-credit points can be applied to your mark in each Application. The details of the extra-credit market 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 without approved Special Consideration. Late submissions will attract a deduction of 10% of the total available marks made from the awarded marks for each 24 hour period and part thereof after the submission date (for example, 25 hours late in submission means 20% penalty).

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- Communication: Develop communication skills to effectively demonstrate the understanding of economic ideas, including the presentation of both quantitative and visual material.

Problem set

Due: **Weeks 5, 9,13**

Weighting: **15%**

A set of technical problems will be provided covering key areas of the course content. Typically, the technical requirements for solving these problems will be covered in the textbook (including the appendices). Where this is not the case, supplementary guidance will be provided.

The problems will be tailored to individuals through an assigned set of numerical parameter values for each student. Thus, your problems will be unique to you and aspects could differ substantially from those of your peers.

The problem set will be divided into three parts. The submission links will be open for each part of the problem set from the start of the session, and submission will be possible at any time up until each link closes (see above). So, apart from leaving everything to the end (and I have thoughtfully closed that option off!), students will have a considerable degree of flexibility in terms of when they complete and submit the answers to the problem set. Given that flexibility, there will be no extensions granted and failure to submit answers to problems will mean a mark of zero.

On successful completion you will be able to:

- Knowledge and Understanding: Demonstrate recognition of how principles of microeconomics are relevant in understanding decision-making by economic agents.
- Analytical skills: Evidence competence in the solution and interpretation of models in microeconomics.
- Communication: Develop communication skills to effectively demonstrate the

understanding of economic ideas, including the presentation of both quantitative and visual material.

Final Examination

Due: **University Examination Period**

Weighting: **30%**

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:

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Delivery and Resources

Classes

Lecture times and location: <http://www.timetables.mq.edu.au>.

This unit provides 3 hours face-to-face teaching per week. It consists of one two-hour lecture and one one-hour tutorial. Tutorials do not begin until Week 2.

Lecture slides will be available on the unit web page at <http://ilearn.mq.edu.au>. Please consult the Unit Schedule on iLearn 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. The unit will utilise lecture streaming to allow contemporaneous participation externally. Students who miss classes put themselves at a considerable disadvantage for several reasons, including:

1. Lectures involve an alternative and often more detailed/nuanced explanation of key aspects of the content covered in the textbook.
2. Lectures will involve interactive elements that aid understanding and which link to participation in the market for extra-credit marks (see iLearn). Interactivity is only possible in real time.
3. Student engagement is a key driver of success, and class participation is a vital element of remaining engaged with course material. Catching up at the end always seems like an attractive strategy in the present, but rarely turns out to be anything but a poor choice (and one that can't be rectified when the time comes).
4. It is difficult and often impossible for teaching 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

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.

As there will be interactive activities in class, students need remember to bring online-capable devices (phones, tablets, laptops etc) with them.

Unit Schedule

A detailed schedule of topics will be supplied via iLearn

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.

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.

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.

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](http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<http://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: Demonstrate recognition of how principles of microeconomics are relevant in understanding decision-making by economic agents.
- Problem solving and critical thinking: Display creativity and critical thinking and the ability to apply theoretical understanding of microeconomics to real life economic problems.
- Analytical skills: Evidence competence in the solution and interpretation of models in microeconomics.
- Ethics: Exhibit the 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, including the presentation of both quantitative and visual material.

Assessment tasks

- Tutorial
- Applications
- Problem set
- 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: Demonstrate recognition of how principles of microeconomics are relevant in understanding decision-making by economic agents.
- Problem solving and critical thinking: Display creativity and critical thinking and the ability to apply theoretical understanding of microeconomics to real life economic problems.
- Analytical skills: Evidence competence in the solution and interpretation of models in microeconomics.
- Ethics: Exhibit the 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, including the presentation of both quantitative and visual material.

Assessment tasks

- Tutorial
- Applications
- 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:

Assessment task

- Problem set

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

- Problem solving and critical thinking: Display creativity and critical thinking and the ability

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

- Communication: Develop communication skills to effectively demonstrate the understanding of economic ideas, including the presentation of both quantitative and visual material.

Assessment tasks

- Tutorial
- Applications
- Problem set

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 outcome

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

Assessment tasks

- Applications
- Final Examination

Changes from Previous Offering

This offering has a revised assessment regime aimed at ensuring greater engagement with the unit material in order to increase the likelihood of student success:

- A market for extra-credit points will run throughout the session. Students will earn 'currency' and generate a pool of extra-credit marks by answering questions live in lectures, and can use the currency to bid for extra marks from the pool. Variations in the structure of the market will be introduced throughout the session to reflect content learned in the unit. This will give students exposure to market mechanisms that are live and consequential for them.
- The weighting on tutorial assessment has been increased to 30%, and tutorial answers and attendance are required if sufficient marks are to be earned. The participation mark

element has been dropped. Students are required to reflect on their answers and the tutorial experience as part of their assessment.

- The assignments have been replaced by three Applications, which will be shorter and explicitly target the ethical aspects of policy evaluation. The marks for these Applications can be supplemented by extra-credit marks purchased from the pool.
- A problem set has been introduced for students to work on in their own time and submit when ready (submission is staged to prevent excessive procrastination). This will give them the chance to work on the strictly technical aspects of the course privately - this kind of material not being particularly conducive to rewarding lecture experiences.
- The weighting on the final exam has been reduced to 30%. The aim here is to realign student incentives away from last-minute cramming and towards more constant engagement with unit material.
- The learning outcomes have been modified to include a focus on analytical skills.

Requirements for successful completion

In order to demonstrate attainment of the learning outcomes to an extent sufficient to warrant a passing grade in ECON203 as per the Assessment Policy you must:

- score an **aggregate mark at least equal to 50**;
- demonstrate **sufficient participation in all assessment tasks** (i.e. submit **at least 50% of the answers or contributions required in each**)
- **successfully complete (i.e. pass) at least one assessment task** from **each** of the following two sets: **(Final examination, Applications)** and **(Tutorial, Problem Set)**

The rationale for these rules is that there is a minimum level of general performance required if a student is to be held to have achieved the Learning Outcomes, and the assessment tasks address different combinations of the Learning Outcomes. This means that doing extremely poorly in both of the assessment tasks that directly require ethical interpretation of the course material, or failing both which address analytical skills, is not consistent with demonstrating overall attainment of the Learning Outcomes. Some degree of 'make up' via other tasks is permissible, but this must be limited to maintain the integrity of the grading process.

The Assessment Policy requires that students be given an additional attempt to meet hurdle requirements where failure to meet the requirements will result in a fail grade for the unit. Students who score at least 50, meet the participation requirements and fail to meet the requirement relating to passing at least two tasks from the nominated sets will be given an additional assessment task in line with the Policy. Students who do not meet the participation requirement will not be deemed **not to have made a serious attempt** and so will not be allowed an additional assessment as per the Policy.