



ECON632

Intermediate Microeconomics

S1 Evening 2018

Dept of Economics

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Disclaimer

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General Information

Unit convenor and teaching staff

Unit Convenor

Geoffrey Kingston

geoff.kingston@mq.edu.au

Contact via geoff.kingston@mq.edu.au

E4A 411

3 - 4 pm, Monday & Wednesday

Credit points

4

Prerequisites

Admission to MCom or MAcc(Prof)MCom or MBioTechMCom or MEd

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 |
|--------------------------|-----------|--------|-------------------------------|
| <u>Class Test</u> | 20% | No | 7 April 2017 |
| <u>Review essay</u> | 20% | No | Friday 9 May |
| <u>Final Examination</u> | 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 7. 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 6.

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

On successful completion you will be able to:

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- Critically evaluate underlying theories, concepts, assumptions and limitations.
- Be intellectually ready to participate in public policy discussions arising in business and government environments.

Review essay

Due: **Friday 9 May**

Weighting: **20%**

Write a 1600 word summary and evaluation of either of the two 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. The appraisal component should be at least 20% of the essay. Your bibliography can be minimal.

Essays must be submitted on Wednesday 9 May both via Turnitin (see the website for this course) and hardcopy (in class). 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 Special Consideration 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.
- 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.

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 Special Consideration 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.
- Be intellectually ready to participate in public policy discussions arising in business and

government environments.

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
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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

Unit Web Page

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: General equilibrium and economic welfare; monopoly

Perloff Chs 10 & 11

Week 7: Class test

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 \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](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>). 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>).

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

- 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.□
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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.

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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.