



# ECON111

## Microeconomic Principles

S2 Evening 2019

*Dept of Economics*

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## General Information

Unit convenor and teaching staff

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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 ethical and equity considerations

## Assessment Tasks

| Name                                   | Weighting | Hurdle | Due            |
|--|-----------|--------|----------------|
| <a href="#">Tutorial participation</a> | 10%       | No     | Weekly         |
| <a href="#">Online quizzes</a>         | 10%       | No     | Weeks 5 and 10 |
| <a href="#">Individual Assignment</a>  | 30%       | No     | Week 8         |
| <a href="#">Final exam</a>             | 50%       | No     | Exam period    |

### Tutorial participation

Due: **Weekly**

Weighting: **10%**

Tutorial participation is expected throughout the session. You will have many opportunities to participate in both small and large group activities. Your tutor will record your participation throughout the session to provide an overall mark for this component of the assessment. In order to get full marks for this component of the tutorial assessment, you need to demonstrate active participation in at least 10 tutorials throughout the session. Further details relating to tutorial participation are available in the participation rubric on iLearn.

### ***What happens if I miss a tutorial?***

*We recognise that from time-to-time other commitments may result in you missing a tutorial. Therefore, we have designed this assessment to allow you an opportunity to achieve full marks (10% of your final grade) providing you participate in at least 10 (of 13) tutorials. That is, you may miss up to three tutorials without penalty.*

*If you have a valid reason that prevents you from attending at least 10 tutorials throughout the session you may submit an application under the Special Consideration Policy. If your application is successful your participation mark will be adjusted accordingly.*

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

## **Online quizzes**

Due: **Weeks 5 and 10**

Weighting: **10%**

There will be two online quizzes conducted throughout the session. These will be held during teaching weeks 5 and 10.

The first online quiz will cover lecture material from weeks 1-4, the second online quiz will cover lecture material from weeks 5-9. The quizzes are of equal value (5% each).

**During quiz weeks, quizzes will be released in a clearly marked folder on iLearn at 9am on Monday and close at 5pm the following Sunday.**

Please note that no extensions will be granted. Failure to complete any quiz will result in a zero mark for that quiz.

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 a quiz is done off-campus cannot be verified by the university and will result in a mark of zero for that quiz.

### ***What happens if I miss a quiz?***

*Students who have not completed a quiz prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for Special Consideration is made and approved.*

On successful completion you will be able to:

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- Problem solving: Apply theoretical understanding of microeconomics to real life economic problems

## **Individual Assignment**

Due: **Week 8**

Weighting: **30%**

There will be one **individual assignment** to be completed during the session.

The assignment is to be **submitted via Turnitin** through iLearn. Assignment submission instructions will be posted on iLearn in a clearly labelled folder. The emphasis in the assignments will be on using economic theory and reasoning to demonstrate the graduate capabilities related to 'ethical thinking' and 'communication'. The assignments will be in the form of written short and long answer questions (2000 words in total).

*No extensions will be granted. There will be a deduction of 10% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 20% penalty). This penalty does not apply to cases in which an application for Special Considerations is made and approved.*

On successful completion you will be able to:

- 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 ethical and equity considerations

## **Final exam**

Due: **Exam period**

Weighting: **50%**

End of unit two 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.

***What happens if I miss the final exam?***

*All students who apply for Special Consideration for the final exam will be required to sit a supplementary examination, if the application is approved. Please note that the supplementary examination may have a different format to the original exam. It is reasonable to point out that because students who sit the supplementary examination usually have much longer to prepare for their examination, the supplementary examination will be more difficult and marked at a higher level than the original examination.*

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

## **Delivery and Resources**

**Prescribed textbook:**

Students will need to consult this textbook:

- *The Economy: Economics for a Changing World.*

This text is produced by the CORE ECON team, and is available free online at <https://www.core-econ.org/project/core-the-economy/>. You will need to register on the site as a student. It is possible to obtain hard copies if desired.

Note that the CORE ECON project site contains significant additional resources that you should aim to make use of in aiding your learning.

**Additional References (in alphabetical order):**

Apart from the textbook above, students may find the following resources useful as well. Most reputable microeconomics 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. Note that the CORE ECON approach can differ substantially from standard texts, so it will be necessary to consider alternatives judiciously:

- Gans, J., King, S., Byford, M. & Mankiw, N. G. *Principles of Microeconomics: Australia and New Zealand Edition 6th Ed.*, Cengage Learning.
- Hubbard, G., Garnett, A, Lewis, P. & O'Brien, T. *Microeconomics 3rd Ed.*, Pearson, Australia.
- McEachern, W., *Microeconomics: A Contemporary Introduction 11th Ed.*, Cengage

Learning.

- Stiglitz, J., Walsh, C.E., Gow, J. & Richmond, B. *Introductory Microeconomics: First Australian Edition*, Wiley.

Students interested in a very readable and non-technical account of where many of the economic ideas studied in this course come from are encouraged to consult:

- Kishtainy, N. (2017). *A Little History of Economics*. London: Yale University Press.

## Technology Used and Required

The unit uses the learning management system (iLearn) that can be accessed via iLearn.mq.edu.au. The lecture slides for each week's lecture will be posted on iLearn by 5pm Friday each week before the lecture.

The iLearn site is also used to post important notices. You should check this regularly. The iLearn web page has the facility to allow peer to peer discussion and 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 chapter(s) before each lecture. ECON111 relies heavily on independent learning where students read the relevant chapter(s), 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. Brief tutorial solutions will be posted on iLearn after completion of all classes of each week.

### PAL, Peer Assisted Learning (1 hour for each topic)

Revision of the material from both lectures and tutorials.

## Unit Schedule

|        | Lecture Topic                      | CORE Unit Number | Assessment Task Due |
|--------|------------------------------------|------------------|---------------------|
| Week 1 | The capitalist revolution          | 1                |                     |
| Week 2 | Technology, population, and growth | 2                |                     |

|             |   |    |                    |
|-------------|---|----|--------------------|
| Week 3      | Scarcity, work, and choice                              | 3  |                    |
| Week 4      | Scarcity, work, and choice                              | 3  |                    |
| Week 5      | Property and power: Mutual gains and conflict           | 5  | Online quiz 1 (5%) |
| Week 6      | Property and power: Mutual gains and conflict           | 5  |                    |
| Week 7      | The firm: Owners, managers, and employees               | 6  |                    |
| Week 8      | The firm and its customers                              | 7  | Assignment (30%)   |
| Week 9      | Supply and demand: Price-taking and competitive markets | 8  |                    |
| Week 10     | Supply and demand: Price-taking and competitive markets | 8  | Online quiz 2 (5%) |
| Week 11     | Rent-seeking, price-setting, and market dynamics        | 11 |                    |
| Week 12     | Markets, efficiency, and public policy                  | 12 |                    |
| Week 13     | Revision  |    |                    |
| Exam Period |   |    | Final exam (50%)   |

## 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 published on platform other than [eStudent](#), (eg. iLearn, Coursera etc.) 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](http://ask.mq.edu.au) or if you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@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](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)

If you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@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 ethical and equity considerations

## **Assessment tasks**

- Tutorial participation
- Online quizzes
- Individual Assignment
- Final exam

## **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**

- 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 ethical and equity considerations

## **Assessment tasks**

- Tutorial participation
- Online quizzes
- Individual Assignment
- Final exam

## **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
- 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 ethical and equity considerations

## **Assessment tasks**

- Tutorial participation
- Online quizzes
- Individual Assignment
- Final exam

## **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
- 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 ethical and equity considerations

## **Assessment tasks**

- Tutorial participation
- Online quizzes
- Individual Assignment
- Final exam