

Econ 1101

# MICROECONOMICS 1

## Semester 2, 2017

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The course examines how individuals and firms make decisions by weighing up costs and benefits, and how the interaction of their decisions leads to market and social outcomes. The model of market supply and demand is employed to examine the effects of taxes, subsidies, and other government interventions in market activity. The implications of different market structures, including perfect competition and monopoly, are examined. Public goods, externalities and common resources are key examples of cases in which private markets may yield social sub-optimal outcomes. Such cases are examined the role of government policy in correcting for these is discussed.

<b>Mode of Delivery</b>	On campus
<b>Prerequisites</b>	No formal prerequisites
<b>Incompatible Courses</b>	None
<b>Co-taught Courses</b>	None
<b>Course Convener:</b>	Zach Ward
Phone:	61253363
Email:	Zach.Ward@anu.edu
Office hours for student consultation:	Crisp 2081 Available for consultation after lecture
Research Interests	Labour, Economic History
RSE Student Office	Nicole Millar
Phone:	61250384
Email:	Zach.Ward@anu.edu.au N.B. include ECON 1101 in the subject line and your student number
Email(s):	Enquiries.rse@anu.edu
Tutor(s)	To be determined

SEMESTER 2

2017

## **COURSE OVERVIEW**

### **Course Description**

The course examines how individuals and firms make decisions by weighing up costs and benefits, and how the interaction of their decisions leads to market and social outcomes. The model of market supply and demand is employed to examine the effects of taxes, subsidies, and other government interventions in market activity. The implications of different market structures, including perfect competition and monopoly, are examined. Public goods, externalities and common resources are key examples of cases in which private markets may yield socially sub-optimal outcomes. Such cases are examined and the role of government policy in correcting for these is discussed.

### **Learning Outcomes**

On satisfying the requirements for this course, students will:

- understand the economic principles that underpin modern economics;
- have a basic understanding of the way budget constrained individuals make optimising choices and the way resources are allocated in private markets;
- understand the role of different trading arrangements in markets and their impact on prices and the quantities traded;
- use basic economic principles to evaluate the effects of government interventions and other exogenous changes in markets;
- be able to evaluate the effects of government interventions in markets;
- present clearly written analysis of economic issues and problems

### **Assessment Summary**

<b>Assessment Task</b>	<b>Value</b>	<b>Due Date</b>	<b>Date for Return of Assessment</b>
Quizzes in Tutorial	15%	Weeks 3-12	Week following quiz. Returned in tutorial
Mid-Semester Exam	35% (or 0%)	Week 7 (tentative)	Arrangements to view script books will be posted on Wattle
Final Exam	50% (or 85%)	Exam Weeks	

#### **(1) Tutorial Quizzes – 15 %**

Six times in tutorial during Teaching Weeks 3-12, your tutor will administer a brief quiz with a question linked to lectures and readings of the preceding week and relatedly, to the tutorial questions of that week. They will be graded as Excellent (3 marks), Satisfactory (2 marks), Unsatisfactory (1 mark) or No Credit (NC, 0 markets). The best five of the six quiz marks will count. No makeup quizzes will be scheduled. Students must take quizzes in their enrolled tutorial.

#### **(2) Mid-Semester Exam – 35% (0%) of course mark**

The mid-semester exam is optional, although strongly recommended, and redeemable. Tentatively, the exam will be in Teaching Week 7, but the exact date and time will be

decided by the ANU Examinations Section. There will be no deferred examination for this exam.

### (3) Final Exam – 50% (85%) of course mark

The final exam will cover material presented throughout the semester and will be held during the university examination period.

The course mark percentages above in parentheses apply to those who do not sit the mid-semester exam as well as to those whose course mark would be higher if the redeemable mid-semester exam is set aside.

The mid-semester and final exams assess a student's understanding and mastery of the material. Further information about the exam structure will be provided in lecture before the exam data. The motivation behind the tutorial quizzes is to encourage students to keep up with the lectures and readings, work on the tutorial questions, and attend tutorial which are vital in succeeding in this course. The quiz questions may take the form of, for example, defining an important concept recently introduced in lecture or setting up or explaining an important aspect necessary to solve one of the tutorial questions.

Unlike some of the tutorial questions, answering the quiz questions should be straightforward even if one has not yet completely mastered the material. Most students who make a serious effort to keep up with the course and prepare for tutorial should be able to answer the quiz questions and can expect to achieve at least a Satisfactory grade for their answer.

Your "raw" course mark will be based on the raw marks for the above three assessment components appropriately weighted. The final course mark may differ from the raw course mark if scaling is necessary. Scaling may be up or down. Any scaling applied, however, will present the rank order of the raw mark. That is, if your raw course mark exceeds or equals that of another student's, then your scaled course mark will be no less than the other student's.

## **Feedback**

### **Staff Feedback**

Feedback provided via verbal comments to students in tutorial and at the Help Desk as well as in lecture to the whole class.

### **Student Feedback**

ANU is committed to the demonstration of educational excellence and regularly seeks feedback from students. One of the key formal ways students have to provide feedback is through Student Experience of Learning Support (SELS) surveys. The feedback given in these surveys is anonymous and provides the Colleges, University Education Committee and Academic Board with opportunities to recognise excellent teaching, and opportunities for improvement.

For more information on student surveys at ANU and reports on the feedback provided on ANU courses, go to

<http://unistats.anu.edu.au/surveys/selt/students/> and  
<http://unistats.anu.edu.au/surveys/selt/results/learning/>

## **Policies**

ANU has educational policies, procedures and guidelines, which are designed to ensure that staff and students are aware of the University's academic standards, and implement them. You can find the University's education policies and an explanatory glossary at: <http://policies.anu.edu.au/>

Students are expected to have read the [Academic Misconduct Rule](#) before the commencement of their course.

Other key policies include:

- Student Assessment (Coursework)
- Student Surveys and Evaluations

## **Required Resources**

Commonwealth supported students and domestic full-fee paying students generally must be able to complete the requirements of their program of study without the imposition of fees that are additional to the student contribution amount or tuition fees.

Provided that its payment is in accordance with the *Act*, a fee is of a kind that is into any one or more of the following categories:

- (a) It is a charge for a good or service that is not essential to the course of study.
- (b) It is a charge for an alternative form, or alternative forms, of access to a good or service that is an essential component of the course of study but is otherwise made readily available at no additional fee by the higher education provider.
- (c) It is a charge for an essential good or service that the student has the choice of acquiring from a supplier other than the higher education provider and is for:
  - (i) equipment or items which become the physical property of the student and are not consumed during the course of study; or
  - (ii) food, transport and accommodation costs associated with the provision of field trips that form part of the course of study.
- (d) It is a fine or a penalty provided it is imposed principally as a disincentive and not in order to raise revenue or cover administrative costs.

## **Examination material or equipment**

Will be announced in lecture before exams.

## **Recommended Resources**

*Principles of Microeconomics: Australia and New Zealand Edition.* Joshua Gans, Stephen King, Martin Byford and N. Gregory Mankiw. Edition 6. ISBN 9780170248525

## COURSE SCHEDULE

Week/ Session	Summary of Activities	Assessment
1	Lectures	
2	Lectures, tutorials	
3	Lectures, tutorials	Tutorial quiz
4	Lectures, tutorials	
5	Lectures, tutorials	Tutorial quiz
6	Lectures, tutorials	Tutorial quiz
7	Lectures, tutorials	Mid-semester exam (tentative)
8	Lectures, tutorials	Tutorial quiz
9	Lectures, tutorials	
10	Lectures, tutorials	Tutorial quiz
11	Lectures, tutorials	
12	Lectures, tutorials	Tutorial quiz
	Examination period	

### Course Outline

- I. Introduction to Economic Thinking (Chapters 1-3)
- II. Supply and Demand (Chapters 4-6)
- III. Welfare Analysis (Chapters 7-9)
- IV. When markets fail (Chapters 10-12)
- V. Introduction to Industrial organization (Chapters 13-18)
- VI. Labour economics (Chapters 19-21)

### ASSESSMENT REQUIREMENTS

The ANU is using Turnitin to enhance student citation and referencing techniques, and to assess assignment submissions as a component of the University's approach to managing

Academic Integrity. For additional information regarding Turnitin please visit the [ANU Online](#) website.

Students may choose not to submit assessment items through Turnitin. In this instance you will be required to submit, alongside the assessment item itself, copies of all references included in the assessment item.

As a further academic integrity control, students may be selected for a 15 minute individual oral examination of their written assessment submissions.

Any student identified, either during the current semester or in retrospect, as having used ghost writing services will be investigated under the University's Academic Misconduct Rule.

### **Privacy Notice**

The ANU has made a number of third party, online, databases available for students to use. Use of each online database is conditional on student end users first agreeing to the database licensor's terms of service and/or privacy policy. Students should read these carefully.

In some cases student end users will be required to register an account with the database licensor and submit personal information, including their: first name; last name; ANU email address; and other information.

In cases where student end users are asked to submit 'content' to a database, such as an assignment or short answers, the database licensor may only use the student's 'content' in accordance with the terms of service – including any (copyright) licence the student grants to the database licensor.

Any personal information or content a student submits may be stored by the licensor, potentially offshore, and will be used to process the database service in accordance with the licensors terms of service and/or privacy policy.

If any student chooses not to agree to the database licensor's terms of service or privacy policy, the student will not be able to access and use the database. In these circumstances students should contact their lecturer to enquire about alternative arrangements that are available.

### **Tutorial Seminar Registration**

Tutorial signup for this course will be done via the Wattle website. Detailed information about signup times will be provided on Wattle or during your first lecture. When tutorials are available for enrolment, follow these steps:

1. Log on to Wattle, and go to the course site
2. Click on the link "Tutorial enrolment"
3. On the right of the screen, click on the tab "Become Member of...." for the tutorial class you wish to enter
4. Confirm your choice

If you need to change your enrolment, you will be able to do so until the end of Week 2 by clicking on the tab "Leave group...." and then re-enrol in another group. You will not be able to enrol in groups that have reached their maximum number. Please note that enrolment in ISIS must be finalised for you to have access to Wattle.

After Week 2, tutorial changes will only be considered under exceptional circumstances and must be approved by the Course Administrator, Nicole Millar. Students must attend the tutorial section that they are enrolled in.

### **SUPPORT FOR STUDENTS**

The University offers a number of support services for students. Information on these is available online from <http://students.anu.edu.au/studentlife/>