

ECON 2101

Microeconomics 2

Course Outline

Semester 1, 2017

Part A: Course-Specific Information

Students are also expected to have read and be familiar with **Part B Supplement to All Course Outlines**. This contains Policies on Student Responsibilities and Support, Including Special Consideration, Academic Misconduct and Plagiarism, and Key Dates. It also contains the Business School Program Learning Goals.

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1 STAFF CONTACT DETAILS

Lecturer

Juan Carlos Carbajal

Room: BUS 407
Email: Communication takes place on *piazza*
Consultation Times: Mon 15:00 – 16:00, Fri 17:00 – 18:00

Tutors

TBA

1.1 Communications with staff

Lecturer and tutors may be contacted through *piazza*. You should feel free to approach your lecturer or tutor about any academic matter. A full list of tutorials, times and tutors will be posted on the course website.

Electronic correspondence on administrative matters will be responded to within 48 hours, but not over weekends. I encourage you to use *piazza* as a medium for resolving questions regarding course material. However, as any electronic communications platform, it has some limitations. Thus, I also encourage you to ask your most challenging questions in ***the classroom, in tutorials and in consultation hours***.

Please note that I ***do not have*** advance notice of the date and time of the final exam.

2 COURSE DETAILS

2.1 Teaching Times and Locations

Stream A

Tuesday 15:00 – 17:00 Central Lecture Block 6

Stream B

Wednesday 18:00 – 20:00 Webster Theatre B

IMPORTANT: tutorials for this course start in **Week 1** and go to **Week 13**.

IMPORTANT: the lecture on **Week 4** will be replaced by a lecture on **Week 13**.

2.2 Units of Credit

The course is worth 6 units of credit. There is no parallel teaching in this course.

2.3 Summary of Course

ECON 2101 is an intermediate course in microeconomic theory. A substantial part of the course is devoted to the study of rational decision-making and to the modelling of associated problems. We then move on to study how individual economic decisions

interact in markets with varying degrees of competition, paying substantial attention to the comparative welfare outcomes produced by different market forms. We also provide an introduction to problems raised by externalities and public goods. There is **substantial emphasis on the use of analytical and mathematical tools**. These tools and the subject material underpin much of the current research in microeconomics.

2.4 Aims and Relationship to Other Courses

This course provides an overview of Microeconomics at an intermediate level, and focuses on the application of microeconomics to the solving of problems. It builds on the foundation established in ECON1101 (Microeconomics 1), and uses mathematical techniques taught in ECON1202 (Quantitative Analysis).

It is also an essential prerequisite for a large number of Level 3 courses: ECON3101 (Markets and Public Choice), ECON3107 (Economics of Finance), ECON3121 (Managerial Economics), ECON3123 (Economics of Corporations), ECON3110 (Development Economics), ECON3106 (Politics, Government and Economics), ECON3116 (International Trade Theory and Policy) and ECON3125 (Economics of Human Capital). These later courses develop many ideas first introduced in Microeconomics 2.

The second year course ECON2112 (Game Theory and Business Strategy) complements the material taught in this course.

2.5 Student Learning Outcomes

The Course Learning Outcomes are what you should be able to DO by the end of this course if you participate fully in learning activities and successfully complete the assessment items.

The Learning Outcomes in this course also help you to achieve some of the overall Program Learning Goals and Outcomes for all undergraduate coursework students in the Business School. Program Learning Goals are what we want you to BE or HAVE by the time you successfully completed your degree. You demonstrate this by achieving specific Program Learning Outcomes - what you are able to DO by the end of your degree. For more information on the Undergraduate Program Learning Goals and Outcomes, see Part B of the course outline.

The following table shows how your Course Learning Outcomes relate to the overall Program Learning Goals and Outcomes, and indicates where these are assessed:

Program Learning Goals and Outcomes		Course Learning Outcomes	Course Assessment Item
<i>This course helps you to achieve the following learning goals</i>		<i>On successful completion of the course, you should be able to:</i>	<i>This learning outcome will be assessed in the following items:</i>
1	Knowledge	Demonstrate an understanding of economic concepts and their appropriate usage; construct economic arguments in terms of these concepts.	<ul style="list-style-type: none"> • Quizzes • Homework assignments • Exam
2	Critical thinking and problem solving	Use appropriate mathematical techniques to construct and solve economic models; apply economic models to the analysis of choice problems and markets.	<ul style="list-style-type: none"> • Quizzes • Homework assignments • Exam
3a	Written communication	Construct written and analytical work, which is logically and professionally presented.	<ul style="list-style-type: none"> • Quizzes • Homework assignments • Exam
3b	Oral communication	Communicate ideas in a succinct and clear manner.	<ul style="list-style-type: none"> • Not specifically assessed
4	Teamwork	Work collaboratively to complete a task.	<ul style="list-style-type: none"> • Not specifically assessed
5a.	Ethical, environmental and sustainability considerations	Understand environmental and sustainability problems arising from non-cooperative decision making among agents/firms/countries.	<ul style="list-style-type: none"> • Quizzes • Homework assignments
5b.	Social and cultural awareness	Not specifically addressed in this course.	

3 LEARNING AND TEACHING ACTIVITIES

3.1 Approach to Learning and Teaching in the Course

This course takes the approach that economic theory is best learnt through extensive practice with problem-solving. Students spend much of their energies working through numerical problems that require the direct application of theoretical principles. The philosophy underpinning the teaching in this course follows the “Guidelines on Learning that Inform Teaching at UNSW” (see www.guidelinesonlearning.unsw.edu.au)

3.2 Learning Activities and Teaching Strategies

The examinable content of the course is defined by the text reference given in the Lecture Schedule, the content of lectures, quizzes and homework assignments, and the content of the tutorial program. More details will be discussed during the first lecture.

Lectures

The purpose of lectures is to provide a logical structure for the topics that make up the course, to emphasise the important concepts and methods of each topic, and to provide relevant examples to which the concepts and methods are applied.

Tutorials

The purpose of tutorial meetings is primarily to provide an opportunity for small group discussion of the economic concepts and methods, and to use those concepts and methods to understand applied problems.

Out-of-Class Study

While students may have preferred individual learning strategies, it is important to note that most learning will be achieved outside of class time. Lectures can only provide a structure to assist your study, and tutorial time is limited.

An ideal strategy includes:

a. Reading the relevant chapter(s) of the text before the lecture.

This will give you a general idea of the topic area.

b. Attendance at lecture.

Here the context of the topic in the course and the important elements of the topic are identified. The relevance of the topic is explained, and problem-solving methods are illustrated.

c. Attempting all the assignments in the course, checking their solutions, and preparing answers for them.

This will identify the things you need to do to demonstrate your understanding of a topic, and guide your re-reading of specific parts of the text. This will also provide a self-test of your understanding, and identify those parts of the topic with which you have problems. Most importantly, the problems will provide practice in problem-solving skills that are crucial for exam success.

d. Attending Tutorials.

While attending tutorials is not mandatory, I strongly encourage you to attend your respective session. But you cannot attend a tutorial session you are not registered at.

4 ASSESSMENT

4.1 Formal Requirements

To be eligible for a passing grade in this course, students must achieve a composite mark of at least 50 per cent of the total marks available (100).

4.2 Assessment Overview

Assessment Task	Weighting	Date
Ten Moodle Quizzes	20%	Due at Sun 23:00 , weeks 1-3, 5-7, 9-12
Two Hand-in Homework Assignments	10%	First hand-in homework due Sun 16th April 11:00 . Second hand-in homework due Sun 4th June 23:00 .
Mid-session Exam	30%	Week 8 (covers Weeks 1,2,3,5,6,7 – there is no lecture in Week 4)
Final Exam	40%	University Exam Period

Some students require a credit in Microeconomics 2 in order to obtain accreditation for other courses. You should note that this does not provide grounds for requesting reconsideration of your mark in Microeconomics 2.

4.3 Mid-Session Examination

A mid-session exam will be held on

Wednesday 26th April 2017, 18:00 – 20:00 (week 8)

Venue will be announced and posted in *piazza*. The exam will test your ability to set up and solve problems similar to those that are assigned for homework and tutorials and worked out in the class. It will be a closed-book exam.

If you have to attend a course that conflicts with the mid-session exam, let me know by Friday 3rd March 17:00 through *piazza*. There will be **no supplementary tests** offered for the mid-session exam. You should make every effort to take the mid-session exam. Students who fail to attend the mid-session exam will need to apply for Special Consideration. Applications for special consideration must be **lodged online through myUNSW within 3 working days of the assessment** (log into myUNSW and go to My Student Profile tab > My Student Services channel > Online Services > Special Consideration). Then submit the originals or certified copies of your completed Professional Authority form (pdf - download here) and any supporting documentation to Student Central.

In cases of serious illness, students will need full and convincing documentation of that illness. Students who are found to be genuinely too ill to have attended the mid-session exam will have their mark in the final exam re-weighted to 70%. In all other cases of non-attendance students will receive a grade of zero. **Employment** obligations, family **holiday plans**, or **personal event** of any kind are not acceptable reasons for absence from any test/examination.

4.4 Final Examination

This will be held in the University examination period (June) and will be **2 hours long**. The Final Examination will be comprehensive. As with the mid-session examination, the final exam will test your ability to set up and solve problems similar to those that are assigned for homework and tutorials and worked out in the class. It will be a closed-book exam. Further information on the content of the Final Exam will be provided towards the end of semester.

4.5 Moodle Quizzes

- Quizzes will be uploaded on Moodle **by Wednesday 21:00** every lecture week, starting in **Week 1**, with the exceptions of Week 4, 8 and 13. Quizzes are due **Sun 23:00** in the week of their respective release. For example, Quiz for Week 1 will be released Wed 1st March at 21:00 and will be due Sun 5th March at 23:00, and so on.
- There are total of **10 quizzes**. Each of these sets is worth **2 marks**.
- You will receive feedback regarding your performance on Moodle immediately after you submit your answers.
- The purpose of Moodle quizzes is to cement your understanding of basic concepts, and not to test your understanding. Therefore, you are required to answer at **least 80%** of questions correctly to receive 2 marks. Otherwise, your mark will be 0. But you can try questions **unlimited times** until you get 80%.
- No excuse will be made for late submission of a quiz.

4.6 Hand-in Homework Assignments

- There are two Hand-in Homework assignments to be **submitted via Moodle**. Submission deadline is **Sun 16th April** and **Sun 4th June** by **23:00**, respectively. You can always submit your homework at an earlier date, thus there will be **no excuses for late submission**.
- The questions in the hand-in homework will include original exercises, exercises from the course textbook, and exercises from other sources. Some of them will be similar to the questions that will appear in the mid- and final-semester examinations.
- It is important that the submitted homework shows not only the solutions but also the working out of the problems (i.e., whenever the solution to a problem requires several steps of reasoning, you should provide one or two sentences explaining these steps).

4.7 Tutorials

- Tutorial sessions start in **Week 1** and end in **Week 13** – there won't be tutorial sessions in **Week 4** and **Week 8**.
- Tutors will check attendance in tutorials for record keeping, but there are **no marks for attendance**. Note that you can only attend the session you are registered in, and that attendance at a minimum of 80% of tutorials is a requirement for any Final Exam Special Consideration requests. See the Course Outline Part B document for more information.
- Tutors will go through questions from the Moodle quizzes and provide some guidance on how to tackle the questions in the Hand-in homework assignments.

4.8 Quality Assurance

The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential and will not be related to course grades.

5 COURSE EVALUATION AND DEVELOPMENT

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW's myExperience survey is one of the ways in which student evaluative feedback is gathered. You are strongly encouraged to take part in the feedback process.

6 COURSE RESOURCES

The Microeconomics 2 website may be found among others of your courses at:
<http://moodle.telt.unsw.edu.au>

We are also using *piazza* – integrated to Moodle – for all communication and discussion purposes. Students are expected to:

- Make sure that they are officially enrolled in Microeconomics 2.
- Familiarise themselves with Moodle and *piazza*.
- Access this site at least weekly, as the site will contain important announcements about the course, as well as lecture summaries and tutorial solutions. In addition, it will carry most of the subject information, midsession exam results and tutorial allocations, as well as trial exam questions.

It will be assumed that all students have seen any notice posted on the course website.

Books

The prescribed textbook for this course is:

Banerjee, Samiran (2015): *Intermediate Microeconomics: A tool-Building Approach*, 1st Edition [Routledge].

It is also **strongly recommended to get a copy of the textbook**, especially if you intend to pursue your studies in economics. The textbook provides the details that cannot be covered in the lectures and useful review questions (with answers) that will help to better prepare for the exams. Some of the chapters contain materials that appear in third year courses.

7 COURSE SCHEDULE

7.1 Lecture Schedule

LECTURE SCHEDULE		
Week	Topic	Textbook Reference
Week 1 27 February	Introduction and Competitive Budget Sets	Chapters 1 and 2
Week 2 6 March	Preferences and Utility	Chapter 3
Week 3 13 March	Individual Demand and Comparative Statics	Chapters 4 and 5
Week 4 20 March	No Lecture	
Week 5 27 March	Technology and Costs	Chapters 7 and 8
Week 6 3 April	Competitive Equilibrium	Chapters 9 and 6
Week 7 10 April	Choice under Uncertainty	Chapter 11
Mid-semester break: Friday 14 April – Saturday 22 April inclusive		
Week 8 24 April	MIDTERM EXAM Wednesday 26th April 18:00 – 20:00 Midterm covers material treated in lecture during weeks 1 - 7	
Week 9 1 May	Game Theory	Chapter 12
Week 10 8 May	Bargaining and Monopoly	Chapter 10
Week 11 15 May	Oligopoly Theory	Chapter 13
Week 12 22 May	Asymmetric Information	Chapter 15
Week 13 29 May	An Introduction to Auctions	N/A

7.2 Tutorial Schedule

TUTORIAL SCHEDULE		
Week	Topic	Textbook Reference
Week 1 27 February	Math Review	NA
Week 2 6 March	Market Interventions and Competitive Budgets Sets	Material covered in Week 1
Week 3 13 March	Rational Preferences and Utility	Material covered in Week 2
Week 4 20 March	No Tutorial	
Week 5 27 March	Individual Demand and Comparative Statics	Material covered in Week 3
Week 6 3 April	Technology and Costs	Material covered in Week 5
Week 7 10 April	Competitive Equilibrium	Material covered in Week 6
Mid-semester break: Friday 14 April – Saturday 22 April inclusive		
Week 8 24 April	MIDTERM EXAM Wednesday 26th April 18:00 – 20:00 Midterm covers material treated in lecture during weeks 1 - 7	
Week 9 1 May	Choice under Uncertainty	Material covered in Week 7
Week 10 8 May	Game Theory	Material covered in Week 9
Week 11 15 May	Bargaining and Monopoly	Material covered in Week 10
Week 12 22 May	Oligopoly Theory	Material covered in Week 11
Week 13 29 May	Asymmetric Information	Material covered in Week 12