

# **ECON 2101**

## **Microeconomics 2**

### **Course Outline**

### **Semester 2, 2017**

## **Course-Specific Information**

The Business School expects that you are familiar with the contents of this course outline. You must also be familiar with the Course Outlines Policies webpage which contains key information on:

- Program Learning Goals and Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration
- Student Support and Resources

This webpage can be found on the Business School website:

<https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>

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# 1 STAFF CONTACT DETAILS

**Lecturer-in-charge:** Hodaka Morita

**Location:** Room 414 UNSW Business School

**Phone:** 9385 3341

**Email:** [h.morita@unsw.edu.au](mailto:h.morita@unsw.edu.au)

**Consultation Times:** Thursday 4:30 – 6:30 pm

## Tutors

- Bora Buth (Tutor-in-charge): [b.buth@student.unsw.edu.au](mailto:b.buth@student.unsw.edu.au)
- Amartya Bose: [amartyabose13@gmail.com](mailto:amartyabose13@gmail.com)
- Abhisit (AJ) Jiranaphawiboon: [ajiranaphawi@wesleyan.edu](mailto:ajiranaphawi@wesleyan.edu)
- Julian Peters: [julianmichaelpeters@gmail.com](mailto:julianmichaelpeters@gmail.com)

**Tutor Consultation Times:** TBC

## 1.1 Communications with staff

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.

Lecturers and tutors may be contacted by email. Electronic correspondence on administrative matters will be responded to within 48 hours, but not over weekends. Please note that ***email is not an appropriate medium for resolving technical questions regarding course material.*** These should be asked in ***consultation hours.*** The lecturers have no advance notice of the date and time of the final exam.

# 2 COURSE DETAILS

## 2.1 Teaching Times and Locations

Thursday: 2 – 4 pm - Keith Burrows Theatre (G5)

Tutorials Start in Week 2 and go to Week 13. There are NO tutorials in week 6.

## 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

ECON2101 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. 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 Program Learning Goals and Outcomes, see the School's Course Outlines Policies webpage available at

<https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>.

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"> <li>• Tutorial Problems</li> <li>• Exam</li> </ul>
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"> <li>• Tutorial Problems</li> <li>• Exam</li> </ul>
3a	Written communication	Construct written and analytical work, which is logically and professionally presented.	<ul style="list-style-type: none"> <li>• Tutorial Problems</li> <li>• Exam</li> </ul>
3b	Oral communication	Communicate ideas in a succinct and clear manner.	<ul style="list-style-type: none"> <li>• Not specifically assessed</li> </ul>

4	Teamwork	Work collaboratively to complete a task.	<ul style="list-style-type: none"> <li>Not specifically assessed</li> </ul>
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"> <li>Tutorial Problems</li> </ul>
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](http://www.guidelinesonlearning.unsw.edu.au)).

#### 3.2 Learning Activities and Teaching Strategies

The examinable content of the course is defined by the Text references given in the Lecture Schedule, the content of Lectures, assigned problems in the Workbook and the content of the Tutorial Program.

##### 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 (the workbook problems), which are assigned as homework.

Homework questions are assigned from the Workbook. Assignments are attached to this handout. The problems test whether you can apply what you have learned. Answers will not simply be found by looking in your lecture notes or your text. Students should prepare answers to these questions in advance of tutorials. Due to time constraints, not all assigned problems will be covered in tutorials. Some problems without bold and underline are reviewed in each tutorial.

##### 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 the Workbook problems, 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 workbook problems will provide practice in problem-solving skills that are crucial for exam success. This should be done after the lecture and before the following week's tutorial.

**d. Attending Tutorials.**

There is no substitute for attending tutorials for this course.

## **4 ASSESSMENT**

### **4.0 You must complete the “Working with Academic Integrity” module on your Moodle site, before you hand in any written work.**

- You **MUST** complete the ‘Working with Academic Integrity’ module AND THE MODULE’S QUIZ, found on your course Moodle site, **BEFORE YOU ARE ALLOWED TO SUBMIT ANY WRITTEN ASSESSMENT**.
- If your submission is delayed because you did not complete the module and the quiz, you may be liable to late penalties as specified in your course outline.
- Failing to comply with the University rules of Academic integrity may result in serious consequences:
  - All cases of plagiarism (regardless of their severity) ARE recorded with the University Integrity Office University register.
  - Depending on the level of the plagiarism/misconduct, the penalties may include a FAIL grade for the assessment piece, a FAIL grade for the course, or being expelled for serious/repeat offences.

Any misconduct, including plagiarism, is recorded on your Conduct Record. If you have only one academic misconduct at the lowest level (level A) in your career, then the record is wiped clear when you graduate. Otherwise it remains there permanently.

*Many professions, such as accounting and law, require access to the student's Conduct Record.*

### **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.

### **4.2 Assessment Details**

<b>Assessment Task</b>	<b>Weighting</b>	<b>Date</b>
Mid-session exam	35%	Week 6, Thursday 2 – 4 PM
Three best tutorial assessments (4% each) plus 3% for attendance	15%	Due at the beginning of the tutorial in the following weeks: 4, 5, 9, 11
Final examination	50%	As scheduled

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

**Thursday, 31 August 2017, 2 – 4 pm (week 6)**

**Venue will be announced and posted in the course website.** 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.

There will be **no supplementary tests** offered for the mid-session exam. You should make every and all effort to take the mid-session exam. Students who fail to attend the mid-session exam will need to apply for Special Consideration.

### 4.4 Tutorial Assessment

- **Homework is assigned for four weeks: weeks 4, 5, 9 and 11. Please submit it to your tutor at the beginning of your assigned tutorial.**
- All homework problems must be worked out and those **marked in bold and underlined (see pages 9-10)** must be submitted on a separate sheet to your tutor **at the beginning** of tutorial.  
It is important that the submitted homework shows not only the solutions but also the working out of the problems.
- Homework consists of problems from the Workbook. Solutions to some of the homework problems will be discussed in tutorial.
- Tutors will randomly choose and grade three of the assigned homework problems. Each problem will be graded as “well done (3)”, “substantially done (2)”, attempted (1) or “not attempted (0)” so that the full mark of each homework is 9. You should provide explanation and/or workings on how you obtained your answers. Just writing down an answer will result in 0 mark even if the answer is correct. Your mark for a homework will then be 4% if your total mark is 6 or above, 3% if your total mark is 4 or 5, 2% if your total mark is 3, 1% if your total mark is 2, and 0% otherwise. Tutors will generally not provide detailed solution to the problems.
- Tutors will check attendance in tutorials. There are 3% marks for attendance. **Students must sign the attendance sheet within 10 minutes from the beginning of tutorial to receive attendance marks for that week.**
- The overall tutorial assessment will be based on three best marks obtained in the homework plus student’s attendance in the tutorials.

### 4.5 Final Examination

This will be held in the University examination period (November) and will be 2 hours long. Final examination will be on materials covered by lectures in weeks 5, 7, 8, 9, 10, 11, and 12. Note that, given the progressive nature of the course, exam questions may also be related to materials covered by lectures in weeks 1, 2, 3, and 4. Further information on the content of the Final Exam will be provided towards the end of semester.

### 4.6 Special Considerations

For information on Special Consideration please refer to the Business School’s [Course Outlines Policies webpage](#).

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 85%. In all other cases of non-attendance students will receive a grade of zero. Employment obligations or holiday plans of any kind are not acceptable reasons for absence from any test/examination.

#### 4.7 Protocol for viewing final exam scripts

The UNSW Business School has set a protocol under which students may view their final exam script. Please check the protocol here.

#### 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 Tool 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>

Students are expected to:

- Make sure that they are officially enrolled in Microeconomics 2.
- Familiarise themselves with Moodle.
- 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:

Varian, Hal (2014): *Intermediate Microeconomics with Calculus*, 1<sup>st</sup> Edition [Norton].

The accompanying **WORKBOOK IS REQUIRED:**

Bergstrom & Varian (2014): *Workouts in Intermediate Microeconomics*, 9<sup>th</sup> Edition [Norton]



The publisher has agreed to supply the UNSW bookshop with a package containing both the textbook and the workbook at a price that is significantly lower than the price of the two books purchased separately. **Students must have the own workbook.**

It is **strongly recommended to get a copy of the textbook**. 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.

## 7 LECTURE AND TUTORIAL PROGRAMME

Lectures will explain the theoretical content of each topic and provide an overview of problem-solving techniques. The bulk of the assessment in the course consists of solving problems using the theory and the associated techniques.

Working through the workbook problems should constitute the central part of your study strategy. Each chapter of the workbook starts with worked examples leading into the problems, and should be worked through. The “warm-up” problem should also be done prior to the assigned problems. Remember that, in the exams, you will have to show detailed working leading up to your solutions. Do the assigned problems accordingly. Finally, even though the homework assignments only specify a subset of the problems in the workbook, you will benefit by working through the non-assigned problems as well.

Tutors will discuss a few of the homework problems in tutorial. Due to the time constraint, it is not possible to cover more than 4-5 problems in a tutorial. If you had difficulty with a specific one, please ask. You may also email your tutor ahead of time asking that a specific problem be addressed in tutorial. Specify the time of your tutorial in the email.

As has been indicated earlier in this handout:

1. **Homework assigned in a given week is due in tutorial in the following week (at the start of tutorial period).**
2. **Detailed handwritten solutions to the homework problems marked in bold and underlined (see next page) must be submitted.** Retain the workbook so you can follow along with the tutorial.

The schedule of topics appears overleaf.

**NOTE: The problems marked in bold and underlined are to be handed in for assessment purposes.**

LECTURE SCHEDULE & HOMEWORK ASSIGNMENTS			
Week	Topic	Textbook Reference	Homework from Workbook (problems may be added/deleted depending on the coverage)
Week 1 27 July	The Market Budget Constraint	Ch. 1 Ch. 2	No tutorials
Week 2 3 August	Preferences Utility	Ch. 3 Ch. 4	Ch. 2: 1,3,5,7,11,12

Week 3 10 August	Choice Demand Market Demand	Ch. 5 (skip 5.4) Ch. 6 (skip 6.4) Ch. 15 (sec. 1 to 6)	Ch. 3: 1,2,3,7,8 Ch. 4: 1,2,3, 5,9,10
Week 4 17 August	Technology Profit Maximization	Ch. 19 Ch. 20	Ch. 5: <u>1</u> , 2, <u>3</u> ,4, <u>7</u> Ch. 6: <u>1</u> ,2, <u>3</u> ,4, <u>5</u> Ch. 15: 0,1,2,3 <b>(HW to be handed in)</b>
Week 5 24 August	Cost Minimization Cost Curves	Ch. 21 Ch. 22	Ch. 19: 1, <u>2</u> ,3, <u>4</u> ,9, <u>11</u> Ch. 20: 1, <u>2</u> , <u>3</u> ,9, <u>10</u> <b>(HW to be handed in)</b>
Week 6 31 August	<b>MIDTERM EXAM THURSDAY 31 AUGUST 2 – 4 PM</b> Midterm covers material treated in lecture during weeks 1-4. <b>NO LECTURES OR TUTORIALS</b>		
Week 7 7 September	Firm Supply Industry Supply	Ch. 23 Ch. 24	Ch. 21: 1,2,3,4,9 Ch. 22: 1,2,3,4,5,9
Week 8 14 September	Consumer Surplus Equilibrium	Ch. 14 Ch. 16	Ch. 23: 1,2,3,4,7 Ch. 24: 4,5,7
Week 9 21 September	Monopoly Monopoly Behavior	Ch. 25 Ch. 26 (sec. 1 to 6)	Ch. 14: <u>1</u> , <u>3</u> ,4,5,6, <u>7</u> ,10 Ch. 16: <u>1</u> ,2, <u>3</u> ,4,6 <b>(HW to be handed in)</b>
Mid-semester break: 23 September – 2 October inclusive (2 Oct = Labour Day Public Holiday)			
Week 10 5 October	Game Theory Game Applications <b>Please see the note below for tutorials on Monday 2 October</b>	Ch. 29 Ch. 30 (sec. 3 to 5)	Ch. 25: 1,2,3,4,5 Ch. 26: 1,3,4,5
Week 11 12 October	Oligopoly	Ch. 28	Ch. 29: 1, <u>2</u> , <u>3</u> ,4, <u>6</u> Ch. 30: 1, <u>2</u> , <u>4</u> ,5, <u>8</u> <b>(HW to be handed in)</b>
Week 12 19 October	Externalities Review	Ch. 35	Ch. 28: 1,2,4,6,8

Week 13 26 October	NO LECTURES		Ch. 35: 2,5,6,7,8
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**Note:** Tutorials will not be held on Monday 2 October due to Labour Day holiday. Students enrolled in Monday tutorials are strongly encouraged and recommended to attend another ECON2101 tutorial in the same week. No tutorial attendance will be taken in this week (Week 10).