

## Course Outline 2017

### ECON 101: MICROECONOMICS (15 POINTS)

#### Semester 1 (1173)

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#### Course Prescription

Offers an introduction to the workings of market systems. This course deals with the economic behaviour of consumers and firms, covering analysis of demand and supply of goods, services and resources within an economy. The framework developed is used to examine and evaluate the operation of the market mechanism for various market structures and government policies.

#### Programme and Course Advice

*Restriction:* ECON 191 Business Economics

A pass in ECON 101 or ECON 191 (Business Economics) is a prerequisite for progression into all other Stage II Economics courses. **Students planning to major in Economics should take ECON 101 rather than ECON 191, as ECON 101 is a prerequisite for ECON 201 (Microeconomics).** The successful completion of this course should provide students with a smooth transition to additional study at the intermediate level and beyond. (A pass at the level of C+ or higher is desirable for progression). Students planning to major in Economics should also take ECON 111 Macroeconomics.

#### Goals of the Course

- To provide all students, whether or not they have had previous exposure to microeconomics, with a level of competence whereby they will be able to advance to stage two courses offered in the Department.
- To reinforce and extend students' knowledge and to maintain a level of interest among those who have already had one or two years of Economics study.
- To provide a basic understanding of microeconomic principles and their relevance to real-world situations.

#### Learning Outcomes

By the end of the course it is expected that the student will:

1. be able to understand and apply the basic tools of supply and demand;
2. know how to apply the basic theory of how consumers and firms respond to a range of problems;
3. be familiar with simple models of competitive behaviour and industrial organisation; and
4. be able to recognise the limitations of markets and understand how governments can sometimes improve on market allocations.

## Content Outline

Week 1:	Scarcity and Choice; Opportunity Cost; Supply and Demand Functions
Week 2:	Supply and Demand Functions and Applications
Week 3:	Consumer Behaviour
Week 4:	Theory of the Firm: Production and Costs
Week 5/6:	Perfect Competition: Implications
Week 7:	Perfect Competition: Limitations of the Model
Week 8:	Introduction to Imperfect Markets and Market Failure
Week 9:	Monopoly and Monopolistic Competition
Week 10, 11:	Oligopoly and Game Theory
Week 12, 13:	Imperfect Information, Externalities and Public Goods

## Learning and Teaching

The course will be taught in both the first and second semesters. There will be three one-hour lectures and a separate one-hour small group tutorial each week. The small group tutorial will concentrate on review and further development of the lecture material, with emphasis on problem-solving skills. The small group tutorials begin in Week 2 of the semester and you are strongly encouraged to attend these.

The Business School provides Maori and Pacific Island students with academic and pastoral support through the **He Tuākana programme**. Information is available at:

<http://www.business.auckland.ac.nz/en/for/maori-and-pacific/tuakana-tutoring-and-mentoring/teina-tuakana-mentoring-programme.html>

or

by emailing: [tuakanabusiness@auckland.ac.nz](mailto:tuakanabusiness@auckland.ac.nz)

## Teaching Staff

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## Learning Resources

### *Recommended Text:*

There is no prescribed text for the course. However, we recommend the following as a supplementary reference:

J.E. Stiglitz and Carl E. Walsh, *Principles of Microeconomics*, 4<sup>th</sup> edition, W.W. Norton and Co., 2006, ISBN 978-0-393-16818-1.

All lecture slides will be made available electronically through CANVAS. Alternatively a hard copy Coursebook, containing these lecture slides, will be available from the Business and Economics Student Bookshop, Level 0, Owen G. Glenn Building.

**Assessment**

Final Examination: 60%  
Coursework: 40% (1 Test)

**Plussage applies:**    **The Final Grade will be the better of:**

**EITHER**    (i)   Coursework/40 + Exam mark/60

**OR**            (ii)   Exam mark 100%

More details will be provided at lectures and on CANVAS.

There is no requirement to qualify for plussage, i.e., you do not have to pass the test to be eligible for plussage. However, should you fail or not sit the test and then for some reason miss or perform badly in the Final Examination you will not pass the course.

Students should be able to demonstrate their understanding of the course material by applying the techniques and models introduced during the course to analyse the behaviour of firms and consumers in different settings. Students should also be able to recognise conditions which could lead to market failure and be able to suggest interventions which will improve on market allocations.

<b>Learning Outcome</b>	<b>Test</b>	<b>Final Examination</b>
1	X	X
2	X	X
3	X	X
4	X	X