UNSW Course Outline

ECON7101 Microeconomic Theory II - 2024

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General Course Information

Course Code : ECON7101
Year : 2024
Term : Term 3
Teaching Period : T3
Is a multi-term course? : No
Faculty : UNSW Business School
Academic Unit : School of Economics
Delivery Mode : In Person
Delivery Format : Standard
Delivery Location : Kensington
Campus : Sydney
Study Level : Postgraduate
Units of Credit : 6

Useful Links

Handbook Class Timetable

Course Details & Outcomes

Course Description

This course introduces basic tools and topics in microeconomic theory, in particular, market design. The course is intended both for graduate students who wish to develop a solid background in microeconomics to pursue research in applied fields and for students who seek to

specialise in economic theory. The course covers a broad array of topics analysed through the lens of auction theory and mechanism design. Most of our time in this course will be spent on economic applications, but there will be some sections where we need also to develop some new tools.

Course Aims

The course aims to lay a solid foundation in modern economic theory to prepare students to understand recent research and to conduct independent research in the future. This course is offered as the second part in the advanced microeconomics sequence and will build on material taught in ECON7001. You must have completed ECON7001 or an equivalent course to register.

Course Learning Outcomes

Course Learning Outcomes	Program learning outcomes
CLO1 : Read and interpret (technical) contributions to the micro-economic literature.	• PLO1 : Business Knowledge • PLO2 : Problem Solving
CLO2 : Build original models as part of thesis work.	• PLO1 : Business Knowledge • PLO2 : Problem Solving • PLO7 : Leadership Development
CLO3 : Meaningfully question limitations of standard economic paradigms, e.g., the “selfish and flawless” homo economicus, the efficient market, etc.	• PLO1 : Business Knowledge • PLO2 : Problem Solving • PLO5 : Responsible Business Practice • PLO7 : Leadership Development
CLO4 : Evaluate alternative modern approaches to the design of better institutions.	• PLO1 : Business Knowledge • PLO2 : Problem Solving • PLO5 : Responsible Business Practice • PLO6 : Global and Cultural Competence
CLO5 : Construct written work that is logically and professionally presented.	• PLO3 : Business Communication • PLO7 : Leadership Development
CLO6 : Communicate ideas in a succinct and clear manner.	• PLO3 : Business Communication • PLO7 : Leadership Development
CLO7 : Work collaboratively on a task.	• PLO4 : Teamwork • PLO7 : Leadership Development

Course Learning Outcomes	Assessment Item
CLO1 : Read and interpret (technical) contributions to the micro-economic literature.	• Homework • Final exam
CLO2 : Build original models as part of thesis work.	• Homework • Final exam
CLO3 : Meaningfully question limitations of standard economic paradigms, e.g., the “selfish and flawless” homo economicus, the efficient market, etc.	• Homework • Final exam
CLO4 : Evaluate alternative modern approaches to the design of better institutions.	• Homework • Final exam
CLO5 : Construct written work that is logically and professionally presented.	• Presentation
CLO6 : Communicate ideas in a succinct and clear manner.	• Presentation
CLO7 : Work collaboratively on a task.	• Presentation • Homework

Learning and Teaching Technologies

Moodle - Learning Management System

Learning and Teaching in this course

Approach to Learning and Teaching in the Course

The lectures assessments have been designed to appropriately challenge students and support the achievement of the desired learning outcomes. A climate of inquiry and dialogue is encouraged between students and teachers and among students (in and out of class). The lecturer aims to provide meaningful and timely feedback to students to improve learning outcomes.

Understanding and using economic models is a key element in economic analysis and in undertaking research in economics. The best way to gain a deep understanding of these models is by working through the models yourself using pen and paper. Look at the equations and write them out (or draw the diagrams). Note what variables enter the models and make sure you can provide an intuitive explanation as to why they are there. Think about the assumptions used in the model and ask why they are used. Look at how the model is solved and then look at the solution and see if it makes economic sense. It usually takes time to build up these skills, so it is good practice to begin early in the session and do a little at a time. In the lectures we will work through important models. The problem sets will give you practice at working with and solving economic models and help you to acquire the necessary skills.

Learning Activities and Teaching Strategies

The examinable content of the course is defined by the references given in the lecture schedule, the content of lectures, and the content covered in web-based learning.

Lectures

All lectures will be conducted face to face. The purpose of the 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.

Web-based Learning

Web-based learning is an integral part of the subject. Presentations, discussions, and problems that occur on the web-based learning platform will build on the material discussed in class with the lecturer. Students will be computing non-standard equilibrium concepts, and learning models and applying these to data from experimental games. Students will have access to an online

forum in which the lecturer will also participate.

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 in-class time is limited.

An “ideal” strategy (on which the provision of the course materials is based) might include:

- Reading of the relevant texts before the lecture. This will give you a general idea of the topic area.
- Attending lectures. The context, importance, and relevance of course material is identified and clarified here.
- Participating in web-based learning.

Assessments

Assessment Structure

Assessment Item	Weight	Relevant Dates
Homework Assessment Format: Individual	40%	Start Date: See the Detailed assessment description Due Date: See the Detailed assessment description
Presentation Assessment Format: Individual	20%	
Final exam Assessment Format: Individual	40%	

Assessment Details

Homework

Assessment Overview

The four homework assignments will cover material related to the models considered in class, e.g., solving variants of the models presented in class. Assignments will be assessed individually. A well-prepared student should expect to spend 10-15 hours on each assignment. The only style requirement is that they are legible, but typed solutions are appreciated. The 40% weighting will be distributed evenly across the four homework assignments.

Course Learning Outcomes

- CLO1 : Read and interpret (technical) contributions to the micro-economic literature.
- CLO2 : Build original models as part of thesis work.
- CLO3 : Meaningfully question limitations of standard economic paradigms, e.g., the “selfish and flawless” homo economicus, the efficient market, etc.
- CLO4 : Evaluate alternative modern approaches to the design of better institutions.
- CLO7 : Work collaboratively on a task.

Detailed Assessment Description

The four assignments will be distributed during the lectures in Weeks 3, 5, 7 and 9.

They are due one week later.

Assignment submission Turnitin type

This is not a Turnitin assignment

Generative AI Permission Level

Not Applicable

Generative AI is not considered to be of assistance to you in completing this assessment. If you do use generative AI in completing this assessment, you should attribute its use.
For more information on Generative AI and permitted use please see here.

Presentation

Assessment Overview

Presentations will take place towards the end of term and will be assessed individually. Further details will be provided in class.

Course Learning Outcomes

- CLO5 : Construct written work that is logically and professionally presented.
- CLO6 : Communicate ideas in a succinct and clear manner.
- CLO7 : Work collaboratively on a task.

Generative AI Permission Level

Not Applicable

Generative AI is not considered to be of assistance to you in completing this assessment. If you do use generative AI in completing this assessment, you should attribute its use.
For more information on Generative AI and permitted use please see here.

Final exam

Assessment Overview

The final exam will be take-home and will cover all topics in the course. The exam will be assessed individually.

Please note that the assessment criteria for students enrolled in ECON7101 will differ from those in shared course code ECON6101.

Course Learning Outcomes

- CLO1 : Read and interpret (technical) contributions to the micro-economic literature.
- CLO2 : Build original models as part of thesis work.
- CLO3 : Meaningfully question limitations of standard economic paradigms, e.g., the “selfish and flawless” homo economicus, the efficient market, etc.
- CLO4 : Evaluate alternative modern approaches to the design of better institutions.

Generative AI Permission Level

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General Assessment Information

Grading Basis

Standard

Requirements to pass course

In order to pass this course students must:

- Achieve a composite mark of at least 50 out of 100
- Engage actively in course learning activities and attempt all assessment requirements
- Meet any additional requirements specified in the assessment details
- Meet the specified attendance requirements of the course (see Schedule section)

Course Schedule

Teaching Week/Module	Activity Type	Content
Week 1 : 9 September - 15 September	Lecture	Nash Equilibrium and Static Games of Complete Information
Week 2 : 16 September - 22 September	Lecture	Models of Bounded Rationality
Week 3 : 23 September - 29 September	Lecture	Repeated Games
Week 4 : 30 September - 6 October	Lecture	Cooperative Games
Week 5 : 7 October - 13 October	Lecture	Cooperative Games
Week 6 : 14 October - 20 October	Lecture	Bayesian Games and Bayesian Nash Equilibrium
Week 7 : 21 October - 27 October	Lecture	Auctions
Week 8 : 28 October - 3 November	Lecture	Mechanism Design I
Week 9 : 4 November - 10 November	Lecture	Mechanism Design II
Week 10 : 11 November - 17 November	Presentation	In class presentations

Attendance Requirements

Students are strongly encouraged to attend all classes and review lecture recordings.

Course Resources

Prescribed Resources

The website for this course is on UNSW Moodle. All lectures are based on notes that will be posted on Moodle.

A more extensive and advanced treatment of game theory can be found in:
Drew Fudenberg and Jean Tirole, Game Theory, MIT Press, 1991

Course Evaluation and Development

Feedback is regularly sought from students and continual improvements are made based on this feedback. At the end of this course, you will be asked to complete the myExperience survey, which provides a key source of student evaluative feedback. Your input into this quality enhancement process is extremely valuable in assisting us to meet the needs of our students and provide an effective and enriching learning experience. The results of all surveys are carefully considered and do lead to action towards enhancing educational quality.

The School of Economics strives to be responsive to student feedback. If you would like more information on how the design of this course and changes made to it over time have taken students' needs and preferences into account, please contact the Director of Education at the School of Economics.

Two mid-term student surveys will be conducted to make sure that students are happy with the delivery format and to ask whether they have suggestions for how to improve the lectures where possible.

Consent for De-Identified Data to be Used for Secondary Research into Improving Student Experience

To enhance your student experience, researchers at UNSW conduct academic research that involves the use of de-identified student data, such as assessment outcomes, course grades, course engagement and participation, etc. Students of this course are being invited to provide their consent for their de-identified data to be shared with UNSW researchers for research purposes after the course is completed.

Providing consent for your de-identified data to be used in academic research is voluntary and not doing so will not have an impact on your course grades.

Researchers who want to access your de-identified data for future research projects will need to submit individual UNSW Ethics Applications for approval before they can access your data.

A full description of the research activities aims, risks associated with these activities and how your privacy and confidentiality will be protected at all times can be found here.

If you **consent** to have your de-identified data used for academic research into improving student experience, you do not need to do anything. Your consent will be implied, and your data may be used for research in a format that will not individually identify you after the course is completed.

If you **do not consent** for this to happen, please email the opt-out form to seer@unsw.edu.au to opt-out from having your de-identified data used in this manner. If you complete the opt-out form, the information about you that was collected during this course will not be used in academic research.

Staff Details

Position	Name	Email	Location	Phone	Availability	Equitable Learning Services Contact	Primary Contact
Convenor	Jacob Goeree		BUS		Fridays 11:00-12:00 and by appointment	No	Yes

Other Useful Information

Academic Information

COURSE POLICIES AND SUPPORT

The Business School expects that you are familiar with the contents of this course outline and the UNSW and Business School learning expectations, rules, policies and support services as listed below:

- Program Learning Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration
- Protocol for Viewing Final Exam Scripts
- Student Learning Support Services

Further information is provided on the Policies and Guidelines page.

Students may not circulate or post online any course materials such as handouts, exams, syllabi or similar resources from their courses without the written permission of their instructor.

STUDENT LEARNING OUTCOMES

The Course Learning Outcomes (CLOs) – under the Outcomes tab – are what you should be able to demonstrate by the end of this course, if you participate fully in learning activities and successfully complete the assessment items.

CLOs also contribute to your achievement of the Program Learning Outcomes (PLOs), which are developed across the duration of a program. PLOs are, in turn, directly linked to UNSW graduate capabilities. More information on Coursework PLOs is available on the Policies and Guidelines page. For PG Research PLOs, including MPDBS, please refer to UNSW HDR learning outcomes.

Academic Honesty and Plagarism

As a student at UNSW you are expected to display academic integrity in your work and interactions. Where a student breaches the UNSW Code of Conduct with respect to academic integrity, the University may take disciplinary action. To assure academic integrity, you may be required to demonstrate reasoning, research and the process of constructing work submitted for

assessment.

To assist you in understanding what academic integrity means, and how to ensure that you do comply with the UNSW Code of Conduct, it is strongly recommended that you complete the Working with Academic Integrity module before submitting your first assessment task. It is a free, online self-paced Moodle module that should take about one hour to complete.

Submission of Assessment Tasks

SHORT EXTENSIONS

Short Extension is a new process that allows you to apply for an extended deadline on your assessment without the need to provide supporting documentation, offering immediate approval during brief, life-disrupting events. Requests are automatically approved once submitted.

Short extensions are ONLY available for some assessments. Check your course outline or Moodle to see if this is offered for your assessments. Where a short extension exists, all students enrolled in that course in that term are eligible to apply. Further details are available the UNSW Current Students page.

SPECIAL CONSIDERATION

You can apply for special consideration when illness or other circumstances beyond your control interfere with your performance in a specific assessment task or tasks, including online exams. Special consideration is primarily intended to provide you with an extra opportunity to demonstrate the level of performance of which you are capable.

Applications can only be made online and will NOT be accepted by teaching staff. Applications will be assessed centrally by the Case Review Team, who will update the online application with the outcome and add any relevant comments. The change to the status of the application immediately sends an email to the student and to the assessor with the outcome of the application. The majority of applications will be processed within 3-5 working days.

For further information, and to apply, see Special Consideration on the UNSW Current Students page.

LATE SUBMISSION PENALTIES

LATE SUBMISSION PENALTIES

For assessments other than examinations, late submission will incur a penalty of 5% per day or part thereof (including weekends) from the due date and time. An assessment will not be accepted after 5 days (120 hours) of the original deadline unless special consideration has been approved. In the case of an approved Equitable Learning Plan (ELP) provision, special consideration or short extension, the late penalty applies from the date of approved time extension. After five days from the extended deadline, the assessment cannot be submited.

An assessment is considered late if the requested format, such as hard copy or electronic copy, has not been submitted on time or where the 'wrong' assessment has been submitted.

For assessments which account for 10% or less of the overall course grade, and where answers are immediately discussed or debriefed, the LIC may stipulate a different penalty. Details of such late penalties will be available on the course Moodle page.

FEEDBACK ON YOUR ASSESSMENT TASK PERFORMANCE

Feedback on student performance from formative and summative assessment tasks will be provided to students in a timely manner. Assessment tasks completed within the teaching period of a course, other than a final assessment, will be assessed and students provided with feedback, with or without a provisional result, within 10 working days of submission, under normal circumstances. Feedback on continuous assessment tasks (e.g. laboratory and studio-based, workplace-based, weekly quizzes) will be provided prior to the midpoint of the course.

Faculty-specific Information

PROTOCOL FOR VIEWING FINAL EXAM SCRIPTS

UNSW students have the right to view their final exam scripts, subject to a small number of very specific exemptions. The UNSW Business School has set a protocol under which students may view their final exam script. Individual schools within the Faculty may also set up additional local processes for viewing final exam scripts, so it is important that you check with your School.

If you are completing courses from the following schools, please note the additional school-specific information:

- Students in the **School of Accounting, Auditing & Taxation** who wish to view their final examination script should also refer to this page.
- Students in the **School of Banking & Finance** should also refer to this page.
- Students in the **School of Information Systems & Technology Management** should also refer

to this page.

COURSE EVALUATION AND DEVELOPMENT

Feedback is regularly sought from students and continual improvements are made based on this feedback. At the end of this course, you will be asked to complete the myExperience survey, which provides a key source of student evaluative feedback. Your input into this quality enhancement process is extremely valuable in assisting us to meet the needs of our students and provide an effective and enriching learning experience. The results of all surveys are carefully considered and do lead to action towards enhancing educational quality.

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.

TEACHING TIMES AND LOCATIONS

Please note that teaching times and locations are subject to change. Students are strongly advised to refer to the Class Timetable website for the most up-to-date teaching times and locations.