

ECON 3113 Microeconomic Theory I

Course Outline

Instructor

Au, Pak Hung

Office: LSK 6069

Office hours: Mondays 3:00-5:00 p.m.

Email: aupakhung@ust.hk

Course Webpage: <https://canvas.ust.hk>

Lecture time: Tuesdays and Thursdays 9:00-10:20 a.m.

Lecture venue: Room 6573 (Zoom meeting until further notice)

Teaching Assistant

Pegler, Dominic

Office: LSK 6066

Office hours: Tuesdays 4:30-6:30p.m.

Email: ecdjpepler@ust.hk

Tutorial time: Wednesday 3:30-4:20 p.m.

Tutorial venue: LSK 1014 (Zoom meeting until further notice)

Course Description and Objective

The main objective of this course is to provide a solid foundation of microeconomic analysis. The first half of the course covers basic decision theory and demand theory. The second half analyzes decision under risk and surveys important topics in information asymmetry. We will adopt a rigorous analytical and mathematical approach in our analyses.

It is intended that, after completing this course, students will

1. understand economic critical thinking (Obj. 1)
2. understand the logic and scientific basis of economic analyses (Obj. 1)
3. have a sophisticated knowledge of economics and can use it to explain economic and social phenomena (Obj. 4)
4. analyze qualitatively basic economic and social problems (Obj. 4)
5. apply economic knowledge to practical situations and make sound economic decisions (Obj. 4)
6. conduct basic economic analysis and research of the economy and society (Obj. 4)

7. understand cultural diversity (Obj. 6)
8. have informed ethical thinking based on rigorous economic and social analyses (Obj. 8)
9. communicate effectively (Obj. 2, 7)
10. be a lifelong user of economic analysis (Obj. 9)

Textbooks

Christopher Snyder and Walter Nicholson (2016): Microeconomic Theory: Basic Principles and Extensions (12th Edition). Cengage. (Older editions are fine).

Assessment

Participation (5%)

You are expected to behave civilly in lectures, tutorial sessions, and office hours. Common-sense classroom etiquette, such as turning off or silencing mobile phones during class time, is expected.

Tutorial Quizzes (15%)

One practice quiz and five graded quizzes will be conducted in selected tutorial sessions. The date and coverage of each quiz will be announced one week in advance. The lowest score among the five graded quizzes will be dropped.

Midterm Test (25%)

The midterm test is tentatively scheduled on April 21. There is **no make-up test**. Students who miss the midterm test with a legitimate and documented reason will have the weight of the midterm test transferred to the final exam. Missing the test without a legitimate and documented reason will result in zero marks.

Final Examination (55%)

The final exam is **cumulative**. If you are caught cheating during a test or an exam, you will receive a zero mark on the exam, may fail the course, and may be subject to further disciplinary action by the university. Cheating is treated with ZERO tolerance.

Regrading

In order to avoid problems associated with self-selection (grading mistakes that increase and decrease scores can happen, but only the one that decrease scores will be reported), disputes on individual questions will result in re-grading of the entire exam by the instructor. The re-graded score will be final and it may be higher or lower than the original one. Requests for re-grading must be submitted in writing to the instructor within one week since the score is first published.

Tentative Lecture Schedule

Week	Date	Topic	Suggested Reading
1	Feb 20	Economic Modelling and Principles	Ch 1, 2
2	Feb 25	Preference, Utility and Choice	Ch 3
	Feb 27	Preference, Utility and Choice	Ch 3
3	Mar 3	Structural Properties of Preference	Ch 3
	Mar 5	Structural Properties of Preference	Ch 3
4	Mar 10	Utility Maximization	Ch 4
	Mar 12	Utility Maximization	Ch 4
5	Mar 17	Applications of Utility Maximization	Ch 4
	Mar 19	Demand Analysis I	Ch 5
6	Mar 24	Demand Analysis II	Ch 5, 6
	Mar 26	Revealed Preference	Ch 5
7	Mar 31	Social Choice	Lecture notes
	Apr 2	Modelling Risk	Ch 7
8	Apr 7	Risk Preference	Ch 7
	Apr 9	Information Processing	Ch 7
9	Apr 14	Decision-making under risk	Ch 7
	Apr 16	Decision-making under risk	Ch 7
10	Apr 21	Midterm Test	—
	Apr 23	Auction	Ch 18
11	Apr 28	Adverse Selection	Ch 18
	Apr 30	Public Holiday	—
12	May 5	Signaling	Ch 18
	May 7	Signaling	Ch 18
13	May 12	Screening	Ch 18
	May 14	Screening	Ch 18
13+	May 19	Moral Hazard	Ch 18

Note: The schedule above is tentative and may be modified as we go. Major changes will be announced in advance in lectures and/or Canvas.