ECON 2101
Microeconomics 2

Course Outline
Semester 1, 2016

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, Plagiarism and Key Dates. It also contains the Business School PROGRAM LEARNING GOALS.
# Table of Contents

1. **STAFF CONTACT DETAILS**
   - 1.1 Communications with staff

2. **COURSE DETAILS**
   - 2.1 Teaching Times and Locations
   - 2.2 Units of Credit
   - 2.3 Summary of Course
   - 2.4 Aims and Relationship to Other Courses
   - 2.5 Student Learning Outcomes

3. **LEARNING AND TEACHING ACTIVITIES**
   - 3.1 Approach to Learning and Teaching in the Course
   - 3.2 Learning Activities and Teaching Strategies

4. **ASSESSMENT**
   - 4.1 Formal Requirements
   - 4.2 Assessment Details
   - 4.3 Mid-Session Examination
   - 4.4 Tutorial Assessment
   - 4.5 Final Examination
   - 4.6 Quality Assurance

5. **COURSE EVALUATION AND DEVELOPMENT**

6. **COURSE RESOURCES**

7. **LECTURE AND TUTORIAL PROGRAMME**
1 STAFF CONTACT DETAILS

Lecturers

Keiichi Kawai
Room: UNSW Business School 404B
Email: Communication takes place on piazza
Consultation Times: TBA (weeks 1 – 6)

Juan Carlos Carbajal
Room: QUAD 3127
Email: Communication takes place on piazza
Consultation Times: Tue and Thu 5 – 6 pm (Weeks 7 to 13)

Tutors
TBA

1.1 Communications with staff

Lecturers 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. Please note that piazza is not an appropriate medium for resolving technical questions regarding course material. These should be asked in the classroom, in tutorials and in consultation hours.

Note that lecturers have no advance notice of the date and time of the final exam.

2 COURSE DETAILS

2.1 Teaching Times and Locations

Stream A
Friday 2 – 4 pm Colombo Theatre A

Stream B
Tuesday 6 – 8 pm Ainsworth Theatre G03

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

<table>
<thead>
<tr>
<th>Program Learning Goals and Outcomes</th>
<th>Course Learning Outcomes</th>
<th>Course Assessment Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>This course helps you to achieve the following learning goals</td>
<td>On successful completion of the course, you should be able to:</td>
<td>This learning outcome will be assessed in the following items:</td>
</tr>
</tbody>
</table>
| 1 | Knowledge | Demonstrate an understanding of economic concepts and their appropriate usage; construct economic arguments in terms of these concepts. | • Tutorial Problems  
• 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. | • Tutorial Problems  
• Exam |
| 3a | Written communication | Construct written and analytical work, which is logically and professionally presented. | • Tutorial Problems  
• Exam |
| 3b | Oral communication | Communicate ideas in a succinct and clear manner. | • Not specifically assessed |
| 4 | Teamwork | Work collaboratively to complete a task. | • Not specifically assessed |
| 5a. | Ethical, environmental and sustainability considerations | Understand environmental and sustainability problems arising from non-cooperative decision making among agents/firms/countries. | • Tutorial Problems |
| 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, assigned questions and homework, 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.**
There is no substitute for attending tutorials for this course.

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;
- make a satisfactory attempt at ALL assessment tasks (see below).
4.2 Assessment Details

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Weighting</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid-session exam</td>
<td>30%</td>
<td>Week 8 (covers Weeks 1,2,3,5,6 – there is no lecture in Week 4)</td>
</tr>
<tr>
<td>Final Exam</td>
<td>35%</td>
<td>As scheduled</td>
</tr>
<tr>
<td>Ten Moodle Assignments</td>
<td>20%</td>
<td>Due at Tue 10:00, week 2-4, 6-7, 9-13</td>
</tr>
<tr>
<td>Two Hand-in Homework</td>
<td>10%</td>
<td>First Hand-in Homework due Tue 19th April 10:00. Second Hand-in Homework due Tue 31st May.</td>
</tr>
<tr>
<td>Tutorial Participation</td>
<td>5%</td>
<td>Minimum 80% of attendance is mandatory</td>
</tr>
</tbody>
</table>

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

**Tuesday 26th April 2016, 18:00 – 20:00 pm (week 8)**

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.

If you have to attend a course that conflicts with the mid-session exam, let the instructors know by Friday 4th March 17:00 through piazza. 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. 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 65%. 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.

4.4 Final Examination

This will be held in the University examination period (June) and will be 3 hours long. The Final Examination will be comprehensive, albeit more emphasis will be placed on the material covered from week 7 on. 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 Assignment

- Questions will be uploaded on Moodle by Friday 17:00 every lecture week, starting in Week 1.
- There are total of 10 sets (i.e., full marks for each set is 2 marks)
- You will receive feedback regarding your performance on Moodle immediately after you submit your answers.
- The purpose of Moodle assignments 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%.

4.6 Hand-in Homework Assignments

- There are two (2) Hand-in Homework assignments to be submitted on the course website Tue 19th April and Tue 31st May by 10:00.
- 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 starts in week 1.
- Tutors will check attendance in tutorials. There are 5% marks for attendance. **Attendance will not be granted to any student who arrives at the tutorial more than 10 minutes late.**

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 Course and Teaching Evaluation and Improvement (CATEI) Process 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:


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.
<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Textbook Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 1</td>
<td>Introduction</td>
<td>Ch 2 and 3</td>
</tr>
<tr>
<td>29 February</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 2</td>
<td>Preferences</td>
<td>Ch 3 and 4</td>
</tr>
<tr>
<td>7 March</td>
<td>Utility</td>
<td></td>
</tr>
<tr>
<td>Week 3</td>
<td>Choice</td>
<td>Ch 4 and 5</td>
</tr>
<tr>
<td>14 March</td>
<td>Demand</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Market Demand</td>
<td></td>
</tr>
<tr>
<td>Week 4</td>
<td>No Lecture</td>
<td></td>
</tr>
<tr>
<td>21 March</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mid-semester break: Friday 25 March – Saturday 2 April inclusive</td>
<td></td>
</tr>
<tr>
<td>Week 5</td>
<td>Technology</td>
<td>Ch 7, 8, 9 and 10.1</td>
</tr>
<tr>
<td>4 April</td>
<td>Profit Maximization</td>
<td></td>
</tr>
<tr>
<td>Week 6</td>
<td>Equilibrium</td>
<td>Ch 6</td>
</tr>
<tr>
<td>11 April</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 7</td>
<td>Choice under Uncertainty</td>
<td>Ch 11</td>
</tr>
<tr>
<td>18 April</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 8</td>
<td>MIDTERM EXAM</td>
<td>Midterm covers material treated in lecture during weeks 1-6.</td>
</tr>
<tr>
<td>25 April</td>
<td>TUESDAY 26th April 18:00 – 20:00</td>
<td></td>
</tr>
<tr>
<td>Week 9</td>
<td>Game Theory</td>
<td>Ch 12</td>
</tr>
<tr>
<td>2 May</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 10</td>
<td>Monopoly</td>
<td>Ch 10</td>
</tr>
<tr>
<td>9 May</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 11</td>
<td>Oligopoly</td>
<td>Ch 13</td>
</tr>
<tr>
<td>16 May</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 12</td>
<td>Asymmetric Information</td>
<td>Ch 15</td>
</tr>
<tr>
<td>23 May</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 13</td>
<td>Auctions and Bargaining</td>
<td>N/A</td>
</tr>
<tr>
<td>30 May</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>