

MACQUARIE
UNIVERSITY



FACULTY OF
BUSINESS AND ECONOMICS

ECON111 Microeconomic Principles

Semester 1, 2010

Unit Outline

Department of Economics

ECON111 MICROECONOMIC PRINCIPLES

MACQUARIE UNIVERSITY FACULTY OF BUSINESS AND ECONOMICS UNIT OUTLINE

First Semester - 2010

Unit convenor: Dr Andrea Chareunsy

Prerequisites: None

Students in this unit should read this unit outline carefully at the start of semester. It contains important information about the unit. If anything in it is unclear, please consult one of the teaching staff in the unit.

ABOUT THIS UNIT

Credit points: 3

Welcome to ECON111, Microeconomic Principles. The two units ECON110 and ECON111, aim to provide an introduction to the main ideas and concepts involved in modern economics. They provide students with an understanding of how the economy works, what type of problems economists attempt to solve, and how they set about trying to solve them. ECON110 deals with macroeconomics, that is, with the behaviour of the economy as a whole. ECON111, on the other hand, deals with microeconomics. As such it is primarily concerned with the analysis of individual decision-making units; the behaviour of the individuals, firms and industries that make up the economy.

This unit offers an intensive analysis of the major topics in microeconomics. The unit covers topics that include the theory of demand, consumer theory, the theory of production and costs, market structures and market failure.

TEACHING STAFF

Lecturers	Location/phone	Email
Dr Andrea Chareunsy (Unit Convenor)	E4A409, 98509283	achareun@efs.mq.edu.au
Mr Prashan Karunaratne (Unit Administrator)	E4A449, 98508409	pkarunar@efs.mq.edu.au

UNIT WEB PAGE

The unit uses a Blackboard web page that can be accessed via learn.mq.edu.au. The lecture slides for each week's lecture will be posted on the web page, before the lecture. You will find it useful to download the slides prior to the lecture, and bring them to the lecture. The web page is also used to post important notices from time to time. You should check this web page regularly.

The unit web page has the facility to allow peer to peer discussion. The unit web page also allows students to put questions to an Online-Tutor. The Online-Tutor will attempt to answer your questions in a timely manner.

If you have any problems accessing this web page you should go the Online Teaching Facility support web page at <http://online.mq.edu.au/docs/teconf.html>

CONSULTATION TIMES

Students will be notified of staff consultation hours during the first tutorial in week 1. The consultation timetable will also be made available in the unit's website.

You are encouraged to seek help from a staff member teaching on this unit during their regular consultation hours. You are also welcome to seek an appointment outside regular consultation hours.

Students experiencing significant difficulties with any topic in the unit are strongly encouraged to seek assistance immediately.

CLASSES

There is one two-hour lecture per week that you must attend. There is a one-hour tutorial each week, beginning in week 2, which you must also attend. A separate document detailing the tutorial program is available via Blackboard at the end of week 1.

The lectures are organised into two streams. Each stream covers the same material although the lecturers differ. The lecture streams are not interchangeable. It is imperative that you do not switch between lecture streams. Although the same content is covered in each stream, each lecturer will cover the material in their own way and at their own pace. Hence you need to attend one stream.

The streams are arranged as follows.

Stream	Day (Time)	Location	Lecturer
1	Wednesday (14-16)	W5B MACTH	Andrea Chareunsky
2	Thursday (12-14)	W5A MACTH	Prashan Karunaratne

The timetable for classes can be found on the university web site at: <http://www.timetables.mq.edu.au>

LEARNING OBJECTIVES AND OUTCOMES

After successfully completing this unit, you will:

- have a solid understanding of microeconomic theory
- be familiar with how microeconomic theory aids decision-making by individuals, business and government
- be able to continue any future studies in economics with increased confidence

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop students' generic skills in a range of areas. One of the aims of this unit is that students develop their skills in relation to the following graduate capabilities:

Effective communication

Foundation skills of literacy, numeracy and information technology;

Critical analysis skills;

Problem-solving skills;

Engaged and ethical local and global citizens;

Capable of professional and personal judgement and initiative;

Creative thinking skills.

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

The textbook in ECON111 for 2010:

McTaggart, D., Findlay, C. and Parkin, M., *Microeconomics*, Pearson Australia, 6th Edition, 2010.

The Co-op bookstore has this book and it is recommended that students purchase a copy. A copy of this book has been placed in the reserve section of the library.

The publisher provides a range of support material for the textbook, including a website. Information on accessing this material is provided in the introduction to the text. The website material includes trial questions and quizzes. You may find it useful to devote some limited time to these questions and quizzes. They will give you some feedback on how your understanding is progressing. Note however that the bulk of your study time, outside of the classroom, should be devoted to studying your textbook, revising lecture notes and preparing in advance for tutorials.

Additional References

Your recommended textbook will be more than adequate for this unit. Listed below are a series of other texts on microeconomics that you should feel free to consult if you wish. These books cover most of the material covered in your textbook, but each one does so in its own unique way. You may choose to consult these books if you feel that a slightly different presentation of the material might aid your understanding. These books have been placed in the reserve section of the library.

Swann, M. and McEachern, W.A., *Microeconomics: A Contemporary Introduction*, Thomson, Australia, 3rd Edition, 2006.

Hubbard, G., Garnett, A., Lewis, P. and O'Brien, T., *Microeconomics*, Pearson Education, Australia, 2009.

ASSESSMENT AND ITS RELATION TO LEARNING OUTCOMES

Assessment will be based on the following FOUR activities. Students must satisfactorily complete ALL four assessments to be eligible to pass this unit.

Assessment 1: Tutorial Group Presentation (10%)

Tutorials will be organised into groups of 4-5 students. You are required to work through the tutorial exercises with your group throughout the semester. Each group then presents the solutions to the class to receive a mark out of 10, which will contribute 10% to your final mark in this unit.

The emphasis in these presentations will be your ability to work effectively in a group environment, understand and explain the essential elements of each topic and help others. Your consistent participation in group work and group presentation is essential.

A separate document with detailed instructions about the tutorial format will be made available on Blackboard at the end of week 1. Your tutor will also outline tutorial requirements to you in your first tutorial in week 2.

Assessment 2: Within Semester MULTIPLE CHOICE EXAM held in WEEK 4 (15%)

The exam will be held in class. The exam will be held in WEEK 4 during the first hour of the normal lecture time. To do the exam you simply go to your normal lecture during week 4. It is imperative that

you go to the lecture stream that you are enrolled for. You will not be allowed to sit the exam if you do not attend the lecture stream that you are actually enrolled for.

The exam will go for approximately 40 minutes and will contain 20 multiple choice questions. The questions will be drawn from material covered in the unit (lectures and readings) up to and including Lecture (Week) 3. The questions will test your knowledge of basic economic concepts as well as your ability to use those concepts to solve economic problems. The exam will be worth 15% of your total marks in the unit.

Assessment 3: Within Semester ASSIGNMENT due in WEEK 8 (15%)

Each student must submit their assignment by 6pm on Wednesday, 28 April, 2010. The emphasis in the assignment will be on using economic theory and reasoning to solve economic problems. The questions in the assignment will be similar to those dealt with in the tutorials. This assignment will be worth 15% of your final mark in this unit.

A separate document with detailed instructions about the assignment, as well as the assignment questions, will be made available on Blackboard by the end of week 3 of the semester.

Assessment 4: FINAL EXAMINATION (60%)
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End of unit three hour written examination, to be taken during the end of semester examination period. The examination will cover material drawn from all parts of the unit's subject matter. The exam will consist of multiple choice questions and written essay type questions. The final exam will give you the opportunity to demonstrate your knowledge of basic economic concepts, the economic way of thinking and to use this knowledge to solve economic problems.

TEACHING AND LEARNING STRATEGIES

This unit is taught as a mix of tutorials and lectures. The lectures are designed to provide the tools which can then be applied in tutorials.

Lectures – large group learning (2 hour each teaching week)

Lectures are intended to provide an overview of the key concepts explored in the unit. Students are expected to read the relevant chapters before each lecture.

Independent learning – learning by doing (about 6 hours each teaching week and 9 hours each week during the 2-week mid-semester recess)

Econ111 relies heavily on independent learning where students read the relevant chapter, revise the lecture notes and prepare answers to the pre-set tutorial questions.

Tutorials – small group learning (1 hour each teaching week beginning in Week 2)

Tutorials constitute a critical learning experience of this unit and students must attend them. Group work is an essential part of this learning. In Econ111, we emphasise peer-to-peer learning by working as a group through the exercises and learning from others (fellow students and the tutor). Presenting and explaining concepts to other students will allow you to not only absorb and learn but develop the ability to translate what you have learnt to others, which will reinforce learning. Together, it will help you fully understand the material in the course.

Your tutor's role (by explaining, clarifying and summarising) is to help you understand the topics in the tutorial. Your tutor should be your first point of contact if you encounter any difficulties with the course material or tutorial exercises. Ask your tutor questions for further guidance on how to approach questions/difficulties.

After the tutorials – the learning continues

At the end of each week, solutions to the tutorials will be posted on the unit website. Review your tutorial notes, compare your answers to the model solutions, consult the discussion board for further postings on the topic.

EXAMINATIONS – GENERAL INFORMATION

The University Examination period for **semester 2, 2010 is 5/6/10 to 25/6/10.**

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available at <http://www.timetables.mq.edu.au/exam> in draft form approximately eight weeks before and in final form approximately four weeks before the commencement of the examinations.

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about this is given at <http://www.reg.mq.edu.au/Forms/APSCon.pdf>.

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period.

You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester, that is, the final day of the official examination period.

PLAGIARISM – IMPORTANT NOTES

The University defines plagiarism in its rules: “Plagiarism involves using the work of another person and presenting it as one's own.” Plagiarism is a serious breach of the University's rules and carries significant penalties. You must read the University's practices and procedures on plagiarism. These can be found in the *Handbook of Undergraduate Studies* or on the web at: <http://www.student.mq.edu.au/plagiarism/>.

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

UNIVERSITY POLICY ON GRADING

Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. Your final result will include one of these grades plus a standardised numerical grade (SNG). On occasion your raw mark for a unit (i.e., the total of your marks for each assessment item) may not be the same as the SNG which you receive. Under the Senate guidelines, results may be scaled to ensure that there is a degree of comparability across the university, so that units with the same past performances of their students should achieve similar results.

It is important that you realise that the policy does not require that a minimum number of students are to be failed in any unit. In fact it does something like the opposite, in requiring examiners to explain their actions if more than 20% of students fail in a unit. The process of scaling does not change the order of marks among students. A student who receives a higher raw mark than another will also receive a higher final scaled mark.

For an explanation of the policy see

<http://www.mq.edu.au/senate/MQUonly/Issues/Guidelines2003.doc> or

<http://www.mq.edu.au/senate/MQUonly/Issues/detailedguidelines.doc>.

STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at <http://www.student.mq.edu.au>. For students taking units in the Faculty of Business and Economics, the Business and Economics Students Services (BESS) is in E4B106. BESS contains a large amount of resources to help you.

The web page for BESS is

<http://businessandeconomics.mq.edu.au/current/undergraduate/bess>

LECTURES, READINGS AND UNIT DIARY

Week	Week Beginning	Lecture Topic	Textbook Reading	Pages	Tutorials & Special Dates
1	22/2/10	What is Economics?	Chapter 1; Appendix	3-30	Tutorial Information available
2	1/3/10	The Economic Problem: Production Possibilities and Opportunity Cost	Chapter 2	33-50	Tutorial 1: What is Economics?
3	8/3/10	Demand and Supply	Chapter 3	55-78	Tutorial 2: The Economic Problem
4	15/3/10	Elasticity Note: The first hour of this lecture will be devoted to the within semester multiple choice test	Chapter 4	83-100	Tutorial 3: Demand and Supply <u>Within Semester Multiple Choice Test</u> – held during lecture
5	22/3/10	Efficiency and Equity	Chapter 5	107-124	Tutorial 4: Elasticity
6	29/3/10	Government Actions in Markets and the Environment	Chapter 6 Chapter 9	129-148 199-216	Tutorial 5: Efficiency and Equity

Mid-semester recess from 2/4/10 to 16/4/10

7	19/4/10	Global Markets in Action	Chapter 7	153-172	Tutorial 6: Government and the Environment
8	27/4/10	Consumer Choices and Constraints	Chapter 12	267-284	Assignment Due Wednesday 28/4/10 by 6pm. *** No Tutorials this week ***
9	3/5/10	Producer Choices and Constraints	Chapter 13	289-308	Tutorial 7: Consumer Choices and Constraints
10	10/5/10	Perfect Competition	Chapter 14	313-334	Tutorial 8: Producer Choices and Constraints
11	17/5/10	Monopoly and Its Regulation	Chapter 10	221-240	Tutorial 9: Perfect Competition
12	24/5/10	Imperfect Competition: Monopolistic Competition Oligopoly	Chapter 15 Chapter 16	339-352 357-361	Tutorial 10: Monopoly
13	31/5/10	Imperfect Competition: Oligopoly Games and Strategies	Chapter 16	362-376	Tutorial 11: Imperfect Competition