

MACQUARIE
UNIVERSITY



FACULTY OF
BUSINESS AND ECONOMICS

ECON111 Microeconomic Principles

Semester 1, 2011

Unit Outline

Department of Economics

**MACQUARIE UNIVERSITY
FACULTY OF BUSINESS AND ECONOMICS
UNIT OUTLINE**

First Semester - 2011

Unit convenor: Dr Andrea Chareunsy

Prerequisites: None

Credit Points: 3

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

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

	Location/phone	Email
Lecturer Dr Andrea Chareunsy	E4A409 9850-9283	andrea.chareunsy@mq.edu.au
Tutor-in-Charge Mr Prashan Karunaratne	E4A449 9850-8409	prashan.karunaratne@mq.edu.au

CONSULTATION TIMES

Andrea Chareunsy: *Thursday 2.30pm - 3.30 or by appointment*

Prashan Karunaratne: *tba*

Tutors: *tba*

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 from their tutor or lecturer.

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 lectures may 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, the lecturer will cover the material appropriate to that stream. Hence you need to attend one stream.

The streams are arranged as follows.

Stream	Day (Time)	Location	Lecturer
1	Wednesday (2-4pm)	W5BMACTH	Andrea Chareunsi
2	Thursday (12-2pm)	W5BMACTH	Andrea Chareunsi

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

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.

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

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

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>

LEARNING OUTCOMES

After successfully completing this unit, you will:

1. Have a solid understanding of microeconomic theory;
2. Be familiar with how microeconomic theory aids decision-making by individuals, business and government;
3. Be able to continue any future studies in economics with increased confidence;
4. Communicate effectively on microeconomic issues;
5. Be able to use microeconomic principles to solve problems;
6. Be able to recognise how economic theory can explain observed human behaviour.

GRADUATE CAPABILITIES

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop the capabilities the University's graduates will need to develop to address the challenges, and to be effective, engaged participants in their world.

This unit contributes to this by developing the following graduate capabilities:

1. Discipline Specific Knowledge and Skills
2. Critical, Analytical and Integrative Thinking
3. Problem Solving and Research Capability
4. Effective Communication
5. Capable of Professional and Personal Judgement and Initiative
6. Commitment to Continuous Learning

TEACHING AND LEARNING STRATEGY

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 – 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 communicate 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, review your tutorial notes, compare your answers to those of your friends /group, consult the discussion board for further postings on the topic. **NOTE: Model answers to tutorial questions WILL NOT be provided. You are required to your allocated class to receive feedback and answers.**

RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES

Assessment will be based on the following FIVE activities. Students must satisfactorily complete ALL 5 assessments to be eligible to pass this unit.

Assessment 1: Tutorial Group Presentation (5%)

Within each tutorial, students 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. There will be a total of 3 group presentations. Participation in presentations will contribute 5% to your final mark in this unit.

The emphasis in marking the tutorial presentations will be on your ability to work effectively in a group environment, to understand and explain the essential elements of each topic and to help others. Your consistent participation in group work and group presentation is essential for you to achieve learning outcomes 3, 4 and 5, in particular (see below for Learning Outcomes). Your participation in the tutorial group presentations will allow you to practise how to apply economic theory to solve problems, to communicate your ideas to others and thereby to improve the confidence with which you undertake future economic studies.

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: Online Quiz (5%)

There will be a total of 4 online quizzes conducted throughout the semester on Blackboard. This assessment task is intended to give you ongoing feedback on your progress in the unit. The dates and topics of each quiz are given in the unit diary (below). The online quizzes will contribute 5% to your final mark in this unit.

Online quizzes will consist of multiple choice questions only. The total of 5% is distributed as follows: Quiz 1 (1%), Quiz 2 (1%), Quiz 3 (1%) and Quiz 4 (2%).

Assessment 3: Within Semester MULTIPLE CHOICE EXAM held in WEEK 5 (15%)

The exam will be held in class. The exam will be held in WEEK 5 during the first hour of the normal lecture time. To do the exam you simply go to your normal lecture during week 5. 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, tutorials and readings) up to and including week 4. 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.

This exam is intended to give you some early feedback on your progress in the unit. If you get less than half of the answers in this exam right, it is highly recommended that you discuss this with an econ111 staff member (your tutor or your lecturer) immediately.

Assessment 4: Within Semester ASSIGNMENT due in WEEK 8 (15%)

Each student must submit their assignment by **9am on Thursday 28th, 2011**. 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 in week 6.

Assessment 5: 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.

	Assessment Task 1	Assessment Task 2	Assessment Task 2	Assessment Task 3	Assessment Task 4
Name of task	Tutorial Presentation	Online Quiz	Within Semester Multiple Choice Test	Assignment	Final Exam
Description of task	Prepare and present answers to problem solving type questions in tutorials	Multiple choice questions (5-10) in 40 minutes to help you revise the topics from previous weeks	Multiple choice Questions: 20 questions in 40 minutes	Problem solving type questions	Multiple choice and essay style questions 3 hours plus 10 minutes reading time
When	In tutorials beginning in week 3 (refer to Unit Diary below)	At the end of Week 3-Quiz 1 Week 7-Quiz 2 Week 9-Quiz 3 Week 12-Quiz 4	During normal lecture time in week 5	Due Thursday 28 th April by 9am. Submit to BESS.	End of semester exam period
% weighting	5	5	15	15	60
What will the assessment be on?	Pre-set tutorial questions	All content covering specified topics	All content up to and including week 4	All content up to and including week 8	All content weeks 1–13
Feedback	Grade at end of course. Verbal comments by	Grade and some feedback via Blackboard the	Grade and some feedback via Blackboard	Grade and written comments due	Final overall course result

	tutor each week in tutorial.	week following the quiz	within 3 weeks of test	by week 13	
Grading method	To be explained in tutorial 1 by your tutor. There will also be a document on Blackboard with explanation of grading method.	One mark per correct answer. Zero for an incorrect answer	One mark per correct answer. Zero for an incorrect answer	To be explained in full in a document on Blackboard. Document will be available by week 6.	University grading guidelines
Learning outcomes assessed					
1		√	√		√
2		√	√	√	√
3	√				√
4	√				√
5	√	√	√	√	√
6		√	√	√	√
Graduate capabilities assessed					
1		√	√	√	√
2		√	√	√	√
3	√			√	√
4	√				√
5	√				
6	√				

EXAMINATIONS – GENERAL INFORMATION

A final examination is included as an assessment task for this unit to provide assurance that:

- i) the product belongs to the student and
- ii) the student has attained the knowledge and skills tested in the exam.

A 3 hour final examination for this unit will be held during the University Examination period.

The University Examination period for semester 1, 2011 is from **06/06/11 to 24/06/11**.

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.

<http://www.timetables.mq.edu.au/exam>

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. The University's policy on special consideration process is available at http://www.mq.edu.au/policy/docs/special_consideration/policy.html

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.

The Macquarie university examination policy details the principles and conduct of examinations at the University. The policy is available at: <http://www.mq.edu.au/policy/docs/examination/policy.htm>

ACADEMIC HONESTY

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
- all academic collaborations are acknowledged
- academic work is not falsified in any way
- when the ideas of others are used, these ideas are acknowledged appropriately.

Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at http://www.mq.edu.au/policy/docs/academic_honesty/policy.html

GRADES

Please refer to relevant Bachelor Degree rule in the Handbook of Undergraduate Studies.

GRADING APPEALS AND FINAL EXAMINATION SCRIPT VIEWING

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade and/or viewing your final exam script please refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes valid grounds for appeal before appealing your grade.

http://www.businessandconomics.mq.edu.au/for/new_and_current_students/undergraduate/admin_central/grade_appeals.

SPECIAL CONSIDERATION

The University is committed to equity and fairness in all aspects of its learning and teaching. In stating this commitment, the University recognises that there may be circumstances where a student is prevented by unavoidable disruption from performing in accordance with their ability. A special consideration policy exists to support students who experience serious and unavoidable disruption such that they do not reach their usual demonstrated performance level. The policy is available at: http://www.mq.edu.au/policy/docs/special_consideration/procedure.html

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>.

IT CONDITIONS OF USE

Access to all student computing facilities within the Faculty of Business and Economics is restricted to authorised coursework for approved units. Student ID cards must be displayed in the locations provided at all times.

Students are expected to act responsibly when utilising University IT facilities. The following regulations apply to the use of computing facilities and online services:

- Accessing inappropriate web sites or downloading inappropriate material is not permitted. Material that is not related to coursework for approved unit is deemed inappropriate.
- Downloading copyright material without permission from the copyright owner is illegal, and strictly prohibited. Students detected undertaking such activities will face disciplinary action, which may result in criminal proceedings.

Non-compliance with these conditions may result in disciplinary action without further notice.

Students must use their Macquarie University email addresses to communicate with staff as it is University policy that the University issued email account is used for official University communication.

Lectures, Readings and Unit Diary

Week	Week Beginning	Lecture (No.)Topic	Textbook Reading	Pages	Tutorials & Special Dates
1	21/02/11	I. Introduction II. What is Economics?	Chapter 1; Appendix	3-13; 20-29	Tutorial Information available on Blackboard in week 1
2	28/02/11	The Economic Problem	Chapter 2	33-50	Tutorial 1 (week 2): Introduction; What is Economics?
3	07/03/11	Demand and Supply	Chapter 3 (incl. Mathematical Note)	55-78	Tutorial 2: The Economic Problem (Group presentations begin in tutorials)

Online Quiz 1: Opportunity cost & PPF

Opens – 6pm Friday, 11/03/11

Closes – 6pm Sunday, 13/03/11

4	14/03/11	Elasticity	Chapter 4	83-100	Tutorial 3: Demand and Supply
5	21/03/11	Elasticity (continued)	Chapter 4	83-100	Tutorial 4: Elasticity (No group presentations)

Note: The first hour of this lecture will be devoted to the within semester Multiple Choice Test
Within semester Multiple Choice Test – held during lecture

6	28/03/11	Efficiency and Equity	Chapter 5	107-124	Tutorial 5: Efficiency and Equity
7	04/04/11	Government Actions in Markets and the Environment	Chapter 6; Chapter 9	129-148; 199-216	Tutorial 6: Government and the Environment

Online Quiz 2:

Elasticity, Efficiency and Government

Opens – 6pm Friday, 08/04/11

Closes – 6pm Sunday, 10/04/11

Mid-semester recess: weeks beginning 11/04/11 and 18/04/11

8	27/04/11 (Wed)	Consumer Choices and Constraints	Chapter 12	267-284	Assignment Due Thursday 28/04/11 by 9am.
* No Tutorials in week 8 (Public Holidays on Monday and Tuesday)					
9	02/05/11	Producer Choices and Constraints	Chapter 13	289-308	Tutorial 7: Consumer Choices & Constraints
Online Quiz 3: Consumer & Producer Choices and Constraints Opens – 6pm Friday, 06/05/11 Closes – 6pm Sunday, 08/05/11					
10	09/05/11	Perfect Competition	Chapter 14	313-334	Tutorial 8: Producer Choices & Constraints
11	16/05/11	Monopoly	McTaggart, et. al. (5 th Ed) NB: Chapter will be provided on Blackboard		Tutorial 9: Perfect Competition
12	23/05/11	<i>Imperfect Competition:</i> Monopolistic Competition; Oligopoly	Chapter 15; Chapter 16	339-352; 357-361	Tutorial 10: Monopoly
Online Quiz 4: Market Structure Opens – 6pm Friday, 27/05/11 Closes – 6pm Sunday, 29/05/11					
13	30/05/11	<i>Imperfect Competition:</i> Oligopoly Games and Strategies	Chapter 16	362-376	Tutorial 11: Imperfect Competition
