ECON215
Applied Microeconomics

Semester 2, 2011

Unit Outline

Department of Economics
ABOUT THIS UNIT

Credit points: 3

Applied Microeconomics, as the name suggests, is about the application of microeconomic theory. We introduce students to the ways in which individuals, businesses and governments use the analytical tools of microeconomics to decipher contemporary global issues, with a particular focus on new and interesting applications as well as new ways of looking at traditional applications. The aim of the course is not to be mathematically rigorous or theoretically thorough. Instead, your main objective is an appreciation of how fundamental and evolving models can help us understand issues of our contemporary world, or in other words, how to view the world through an economic lens. Tools and concepts (such as supply and demand, choices and incentives, market failure, externalities, games and strategies, and behavioural economics) may be used to analyse issues of environmental damage and economic prosperity, money and happiness, cash versus gifts, art and the artist; market domination by the big brands, social networks, and more. The course will be interesting to students with economic majors as well as students with non-economic majors. The topics of Applied Microeconomics add depth and texture to the traditional topics learned in ECON111 and can serve as an alternative to ECON203 (for students whose interest in economics is its relevance to the real world). The course can also complement ECON203, and in fact, can be taken as a precursor to Intermediate Microeconomics.

TEACHING STAFF

Unit Convenor & Lecturer-in-Charge: Dr Andrea Chareunsy
Email: andrea.chareunsy@mq.edu.au

All administrative enquiries should be directed to the lecturer-in-charge by email. All enquiries regarding the content of the Unit should be posted on the Unit Discussion Board or directed to the lecturer-in-charge in class.

CLASSES

Classes are compulsory and there will be marks allocated to class attendance (see under Assessments). There are 3 hours face-to-face teaching per week consisting of:
- one 2 hour lecture, and
- one 1 hour tutorial

Lectures

Weekly lectures will be grouped into the following themes:
- Are we still using the Supply and Demand model?
- What if market efficiency is only a figment of our imagination?
- What can we say about the environment that the environmentalists haven't already said?
- All human beings are rational decision makers. That's why we use rats to decide what products to buy.
Kids love games. Adults also love games. Therefore, companies and countries are run by big kids.

Only connect...and you will find that you are only six steps away from Lady Gaga.

Special topics category, if time permits.

Lecture readings will be posted on the Unit website before the lecture. It is recommended that you read at least one paper before attending the lecture. Post-lecture notes will be posted on the Unit website after each lecture. More detailed information about lectures and the course will be outlined in the first lecture. Do NOT miss your first lecture.

** A separate document detailing the particulars of lectures and tutorials will be posted on the Unit website at the end of Week 1.**

UNIT WEB PAGE

The unit uses a Blackboard web page that can be accessed via www.learn.mq.edu.au. This unit web page will contain all relevant information about the course:

- Weekly lecture reading requirements
- Post-lecture notes
- Tutorial readings and discussion topics
- Assessment information and marks
- Other important announcements and notices
- Discussion board

It is YOUR responsibility to check this web page regularly. ALL important information will be communicated to you via this web site. I recommend that you login AT LEAST once a week.

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/tecinf.html.

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

THERE IS NO PRESCRIBED TEXTBOOK FOR ECON215. However, there will be readings assigned every week (except week 1). These are available through the library intranet. The list of reading forms the core material for the course. Note: some articles and book chapters prescribed as reading have more technical sections that are NOT required, that will not be discussed in this course, and can therefore be ignored.

USEFUL REFERENCES
(For those in therapeutic need of a textbook, try one of the offerings below.)

Walter Nicholson & Christopher Snyder, INTERMEDIATE MICROECONOMICS AND ITS APPLICATION, 11th Edition, South-Western Cengage Learning, 2010. (If you must get a textbook, buy this one.)

Jeffrey M. Perloff, MICROECONOMICS, 5th Edition, Pearson Addison-Wesley, 2009. (Good reference in terms of theory and application but a heavy-weight. Also doubles up as a paperweight. Choose at own expense!)

Jeff Borland, MICROECONOMICS: CASE STUDIES AND APPLICATIONS, Cengage Learning, 2008. (Purely for the interesting applications.)
ASSESSMENT AND ITS RELATION TO LEARNING OUTCOMES

All assessment tasks in the Unit are compulsory. You must satisfactorily complete ALL assessment tasks to be eligible to pass this unit. Your final course mark will consist of the following components.

Self-discovery Essay (Week 1)*  5%
Class Participation (starting in Week 2)  5%
Tutorial problem sets (starting in Week 3)  15%
Mid-Semester Class test (Week 7)  15%
Project (due in Week 10)  30%
End-of-semester Class Test (Week 13)  30%

IMPORTANT: There will be NO FINAL EXAMINATION during the University Examination Period for this Unit.

More details of all the assessment tasks will be provided in the first lecture in Week 1.

* The Self-discovery Essay assumes no specific prior knowledge of economics (besides the general principles learned in ECON111/BBA103). This assessment is designed to canvas your interest in general (whether it be in sports, music, gaming, movies, natural disasters or small business enterprises) and gauge how well you can present your point of view. An assumed knowledge for this essay is a passion (or at least, an interest), some creativity and some knowledge of the world you live in. The marking criteria will be a commitment to the task (whether you turn up and make a genuine effort) and how well you structure your argument and present your point of view.

The spread of the assessment tasks is so that you will discover your own progress (your strengths and weaknesses) as you go along, and (if required) seek help. More importantly, the design of the various tasks is to ensure your consistent participation in the Unit. The focus here is on learning and discovery through face to face interaction, followed up by self-reflection and individual learning (which is then reinforced through individual tests). This Unit is not a theoretical course in which you can study individually or cram your learning into a few weeks. This Unit can only be undertaken by participating in class, working out problems through discussions, and learning from and with others.

This is a more hands-on unit. So, as long as you participate in class, in discussions (face to face and online), in assessments, and generally, make a genuine effort, it is highly probable that you will pass. It is also possible for EVERYONE to do well.

LEARNING OBJECTIVES AND OUTCOMES

After successfully completing this unit, you will be familiar with many of the microeconomic tools that individuals, policy makers and firms can use to analyse and resolve problems. You will be able to analyse real world situations from an economic perspective.

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 of literacy, numeracy and information technology,
- Effective communication skills,
- Critical analysis skills,
- Problem-solving skills,
- Engaged and ethical local and global citizens,
- Capable of professional and personal judgement and initiative, and
- Creative thinking skills.

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.

**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. 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

**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.

Dr Andrea Chareunsy
Economics Department, 2011