

MACQUARIE
UNIVERSITY



FACULTY OF
BUSINESS AND ECONOMICS

ECON111
Microeconomic Principles

Session 1, 2012
Unit Outline

Department of Economics

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

First Session, 2012

Unit convenor: Dr Andrea Chareunsy

[Prerequisites / Corequisites:] None

Credit points: 3

Students in this unit should read this unit guide carefully at the start of session. 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
<u>Lecturer</u> Dr Andrea Chareunsy	E4A room 409	andrea.chareunsy@mq.edu.au
<u>Tutor-in-Charge</u> Dr Ha Vu	See iLearn	ha.vu@mq.edu.au

CONTACTING STAFF

See iLearn for staff consultation times.

You are encouraged to seek help from a staff member teaching in this unit during their regular consultation hours. In special circumstances, an appointment may be made outside regular consultation hours. You are also welcomed to contact the staff via email and/or the discussion forum.

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 3 hours face-to-face teaching per week consisting of one two-hour lecture and a one-hour tutorial. Tutorial classes begin in week 2. A separate document detailing the tutorial program will be available on the unit web page by 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 may cover the material at a different pace, and in a slightly different way, in each stream. Hence you need to attend one stream.

The streams are arranged as follows.

Stream	Day (Time)	Location	Lecturer
1	Tuesday 10am – 12pm	W6D LOTUS	Andrea Chareunsky
2	Tuesday 2pm – 4pm	W6D LOTUS	Andrea Chareunsky

The timetable for classes can be found on the university web site at:

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

You are required to attend lectures and tutorials.

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

The textbook in ECON111 for 2012:

McTaggart, D., Findlay, C. and Parkin, M., <i>Microeconomics</i> , Pearson Australia, 6 th Edition, 2010.
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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 *the learning management system (iLearn)* that can be accessed via iLearn.mq.edu.au. The lecture slides for each week's lecture will be posted on the unit 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/tecinf.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. Be able to 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

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.

LEARNING AND TEACHING ACTIVITIES

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 hours 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 (the tutor and fellow students). Participation in question and answer (Q&A) in class will allow you to not only learn, but develop the ability to communicate what you have learnt to others. This will in turn reinforce your learning..

Your tutor's role is to help you understand the topics by showing how tools learnt in lectures are applied 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 for 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 and consult the discussion board for further postings on the topic. **NOTE: Model answers to tutorial questions WILL NOT be provided. You are required to attend your allocated class to receive feedback and answers, as well as to participate in Q&A.**

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 Participation and Attendance (5%)

Within each tutorial, students will be organised into groups of 4-5 students. (Putting students into groups will occur in the first tutorial). You are required to work through the tutorial exercises with your group throughout the session. The tutor will randomly ask individual students to answer questions based on the tutorial's pre-set exercises. Each student will be asked to answer questions in tutorial on at least 3 separate occasions throughout the session. Participation and attendance will contribute 5% to your final mark in this unit.

The emphasis in marking the tutorial participation will be on how well you prepare for class. Group work will greatly help you prepare for Q&A. If you work effectively with your group to understand and explain the essential elements of each topic, your individual learning will be further enhanced in class. Your consistent participation in group work and Q&A is essential for you to achieve learning outcomes 3, 4 and 5, in particular (see below for Learning Outcomes). Your participation in tutorials 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 the unit web page 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 session on iLearn. 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: MULTIPLE CHOICE CLASS TEST held on April 3rd, 2012 in Week 6 (15%)

The test will be held during the first hour of lecture in week 6. The test 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 5. The questions will test your knowledge of basic economic concepts as well as your ability to use those concepts to solve economic problems. The test will be worth 15% of your total marks in the unit.

This test 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 test right, it is highly recommended that you discuss this with an ECON111 staff member (the tutor-in-charge or the lecturer) immediately.

Students who miss this test due to illness or misadventure should provide documentary evidence to support this to Dr Ha Vu (ha.vu@mq.edu.au) as soon as possible. A supplementary test will be scheduled for later in the session. The supplementary test will include more topics than the original test as students will have had longer to prepare for the supplementary test. Additional information about the supplementary test will be made available via the unit web page.

Assessment 4: ASSIGNMENT; Due May 3 rd , 2012 in WEEK 8 (15%)

Each student must submit their assignment by **10am on Thursday May 3rd, 2012**. The assignment is submitted via BESS. 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 the unit web page in week 6. Late submission will incur a penalty. The penalty for late submission will be explained in detail in the assignment document.

Assessment 5: FINAL EXAMINATION (60%)
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End of unit three hour written examination, to be taken during the end of year 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-answer 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. Please note that the Supplementary Exam for those students who suffered from serious illness or misadventure at the time of the original exam will have a substantially different content and a different format.

	Assessment Task 1	Assessment Task 2	Assessment Task 3	Assessment Task 4	Assessment Task 5
Name of task	Tutorial Participation	Online Quiz	Multiple Choice Class 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 written-answer questions. 3 hours plus 10 minutes reading time
When	In tutorials beginning in	At the beginning of	In the first hour of the Week 6	Due Thursday 3 rd	End of year exam period

	week 3 (refer to Unit Diary below)	Week 4-Quiz 1 Week 7-Quiz 2 Week 10-Quiz 3 Week 13-Quiz 4	Lecture on April 3 rd , 2012.	May by 10am. Submit to BESS.	
% weighting	5	5	15	15	60
What will be assessed?	Pre-set tutorial questions	All content covering specified topics. See unit Diary below	All content up to and including week 5	All content up to and including week 8	All content weeks 1–13
Feedback	Grade at end of course. Verbal comments by tutor each week in tutorial.	Grade and some feedback via iLearn the week following the quiz	Grade and feedback through consultation in 3 weeks of test	Grade and written comments due by week 13	Final overall course result
Grading method	To be explained in tutorial 1 by your tutor. There will also be a document on the unit web page 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 the unit web page. 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 session 1, 2012 is from Tuesday June 12th to Friday June 29th.

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

Macquarie University uses the following grades in coursework units of study:

HD - High Distinction
D - Distinction
CR - Credit
P - Pass
F - Fail

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at:

<http://www.mq.edu.au/policy/docs/grading/policy.html>

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 a valid grounds for appeal before appealing your grade.

http://www.businessandconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/how_do_i/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/policy.html

STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Support Services. Details of these and other services for students 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 using 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 units 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	27/2/12	I. Introduction II. What is Economics? III. The Economic Problem (Part 1)	Chapter 1 - Appendix - Chapter 2 -	3-14; 20-29; 33-36	Tutorial Information available on iLearn in week 1
2	5/3/12	The Economic Problem (Part 2)	Chapter 2 -	37-50	Tutorial 1 (week 2): Introduction; What is Economics?
3	12/3/12	Demand and Supply	Chapter 3 - (incl. Mathematical Note)	55-78	Tutorial 2: The Economic Problem (Tutorial assessment begins)

Online Quiz 1:
Opportunity cost & Production Possibility Frontier
Opens – 6pm Friday, 16/3/12
Closes – 6pm Monday, 19/3/12

4	19/3/12	Elasticity	Chapter 4 -	83-100	Tutorial 3: Demand and Supply
5	26/3/12	I. Elasticity (continue) II. Efficiency	Chapter 4 - Chapter 5 -	83-100; 107-124	Tutorial 4: Elasticity
6	2/4/12	Efficiency (Continue)			There are no tutorials in week 6. Public Holiday on Friday. Multiple Choice CLASS TEST held in the first hour of lecture.

Recess: weeks beginning 9/4/12 and 16/4/12

Online Quiz 2:
Demand & Supply, Elasticity, and Efficiency
Opens – 6pm Friday, 20/4/12
Closes – 6pm Monday, 23/4/12

7	23/4/12	I. Government Actions in Markets II. the Environment	Chapter 6 - Chapter 9 -	129-148; 199-207	Tutorial 5: Efficiency
8	30/4/12	Consumer Choices and Constraints	Chapter 12 -	267-284	Tutorial 6: Government and the Environment

**ASSIGNMENT Due
10am Thursday May
3rd 2012.**

9	7/5/12	Producer Choices and Constraints	Chapter 13 -	289-308	Tutorial 7: Consumer Choices & Constraints
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**Online Quiz 3:
Government, Environment and Consumer Choices & Constraints**

Opens – 6pm Friday, 11/5/12
Closes – 6pm Monday, 14/5/12

10	14/5/12	Perfect Competition	Chapter 14 -	313-334	Tutorial 8: Producer Choices & Constraints
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11	21/5/12	Monopoly	<i>McTaggart, et. al. (5th ed) Chapter will be provided on the unit web page</i>		Tutorial 9: Perfect Competition
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12	28/5/12	<i>Imperfect Competition:</i> I. Monopolistic Competition II. Oligopoly	Chapter 15 - Chapter 16 -	339-352; 357-361	Tutorial 10: Monopoly
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**Online Quiz 4:
Producer Choices & Constraints and Market Structure**

Opens – 6pm Friday, 1/6/12
Closes – 6pm Monday, 4/6/12

13	4/6/12	<i>Imperfect Competition:</i> Oligopoly Games and Strategies	Chapter 16 -	362-376	Tutorial 11: Imperfect Competition
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