ECON8011
Microeconomic Theory A

The course will focus on Microeconomic theory as an approach to organizing economic ideas through modelling.

This course will examine some basic components of economic theory concerning the allocation of scarce resources: individual non-strategic decision making by consumers and firms, Markets and General Equilibrium, Game Theory for extending the models of consumers and producers to strategic settings (with an emphasis on asymmetric information and mechanism design), and models of how decisions are made in non market settings through political institutions or within firms.

Along the way we will consider how to include uncertainty in models and how to establish the existence of equilibria/optima and the comparative static properties of these predicted outcomes.

<table>
<thead>
<tr>
<th>Mode of Delivery</th>
<th>On Campus</th>
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<tbody>
<tr>
<td>Course Convenor/Lecturer:</td>
<td>Michael Rapp</td>
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<td>Office hours for student consultation:</td>
<td>TBD</td>
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<tr>
<td>Research Interests</td>
<td>Microeconomic Theory, Game Theory</td>
</tr>
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SEMESTER 1
2015

http://wattlecourses.anu.edu.au/
COURSE OVERVIEW

Learning Outcomes

Upon successful completion of the requirements for this course, students will be able to:

[LO1] Individual Decision Makers: State and prove the fundamental properties of consumer and producer behaviour in neoclassical economics

[LO2] Markets: explain and apply the results of, Game Theory and General Equilibrium in understanding the properties of basic market structures.

[LO3] Mechanism Design: use mechanism design techniques to establish the structure of optimal incentive contracts and apply contract design to solve economic problems.

[LO4] Uncertainty: explain and apply the results of, and methods used in, expected utility theory

[LO5] Non-market allocation: state and prove the fundamental results of social choice.


[LO7] Solving: Use curvature and monotonicity properties to establish the solutions and comparative static properties for relevant economic models.

Proposed Assessment (Summary): Assessment for this course will be confirmed after consultation with students at the first lecture of the semester. If there are any changes to the assessment, those changes will be publicised on Wattle.

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Value</th>
<th>Due Date</th>
<th>Linked Learning Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Quiz 1</td>
<td>10%</td>
<td>4th Week</td>
<td>LO1, LO6, LO7</td>
</tr>
<tr>
<td>2. Assignment</td>
<td>15%</td>
<td></td>
<td>LO1, LO4, LO6, LO7</td>
</tr>
<tr>
<td>3. Quiz 2</td>
<td>10%</td>
<td>10th Week</td>
<td>LO2, LO4, LO6, LO7</td>
</tr>
<tr>
<td>4. Tutorial Presentation</td>
<td>5%</td>
<td>Random</td>
<td>LO1-LO7</td>
</tr>
<tr>
<td>5. Examination</td>
<td>60%</td>
<td>TBD</td>
<td>LO1-LO7</td>
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</table>

Research-Led Teaching
Students will learn the basic tools of research in microeconomics.

Feedback

Staff Feedback
Students will be given feedback in the following forms in this course:

- Marked Quizzes
- Marked Assignment
- Verbal Feedback during Tutorial Presentation

Student Feedback
ANU is committed to the demonstration of educational excellence and regularly seeks feedback from students. One of the key formal ways students have to provide feedback is through Student Experience of Learning Support (SELS) surveys. The feedback given in these surveys is
anonymous and provides the Colleges, University Education Committee and Academic Board with opportunities to recognise excellent teaching, and opportunities for improvement.

For more information on student surveys at ANU and reports on the feedback provided on ANU courses, go to
http://unistats.anu.edu.au/surveys/selt/students/ and
http://unistats.anu.edu.au/surveys/selt/results/learning/

Policies
ANU has educational policies, procedures and guidelines, which are designed to ensure that staff and students are aware of the University’s academic standards, and implement them. You can find the University’s education policies and an explanatory glossary at:
http://policies.anu.edu.au/

Students are expected to have read the Student Academic Integrity Policy before the commencement of their course.

Other key policies include:
- Student Assessment (Coursework)
- Student Surveys and Evaluations

Required Resources
Prescribed Text

Examination material or equipment
Non-programmable Calculator.

Recommended Resources
Reference
Comment: Mas-Colell et al is more encyclopaedic and has more technical detail than Jehle and Reny.
COURSE SCHEDULE

<table>
<thead>
<tr>
<th>Week</th>
<th>Summary of Activities</th>
<th>Assessment</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Preferences</td>
<td>Tutorial Problem Set</td>
</tr>
<tr>
<td>2</td>
<td>Consumer Theory (JR 1, MWG 1-3)</td>
<td>Tutorial Problem Set</td>
</tr>
<tr>
<td>3</td>
<td>Producer Theory (JR 3, MWG 5)</td>
<td>Tutorial Problem Set</td>
</tr>
<tr>
<td>4</td>
<td>Uncertainty (MWG 6, JR 2.4)</td>
<td>Tutorial Problem Set, Quiz 1</td>
</tr>
<tr>
<td>5-7</td>
<td>General Equilibrium (MWG 10,16, JR 4,5)</td>
<td>Tutorial Problem Set</td>
</tr>
<tr>
<td>8-12</td>
<td>Game Theory</td>
<td>Tutorial Problem Set, Quiz 2</td>
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<tr>
<td></td>
<td>Examination period</td>
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ASSESSMENT REQUIREMENTS

The ANU is using Turnitin to enhance student citation and referencing techniques, and to assess assignment submissions as a component of the University’s approach to managing Academic Integrity. For additional information regarding Turnitin please visit the [ANU Online](https://www.anu.edu.au) website.

Students may choose not to submit assessment items through Turnitin. In this instance you will be required to submit, alongside the assessment item itself, copies of all references included in the assessment item.

Assessment Tasks

**Assessment Task 1:** Assignment

**Details of task:** Write up an assigned problem set.

**Assessment Rubric**

**Value:** 15%

**Marking Criteria:** The student is expected to solve each problem in as clear and concise manner as possible.

**Assessment Task 2:** Tutorial Presentation

**Details of task:** Each week for tutorial a number of problems will be assigned. It is expected that each student work these problems out before hand. For each problem, a student will be randomly chosen to present to the class what he or she has worked out. Each student will be chosen at least one time throughout the semester.

**Assessment Rubric**

**Value:** 5%

**Marking Criteria:** Students will be marked on the basis of the effort in the preparation of the presented problem. The overall mark for this task will be the average mark of each presentation.
**Examination(s)**
There are two quizzes. They are multiple choice and short answer. Quiz 1 covers the Game Theory and Proof & Logic portions of the course. Quiz 2 covers the General Equilibrium and Uncertainty portions of the course.

There is a Final Exam. It covers all material covered in the course.

**Assignment submission**
**Hard Copy Submission**: Assignments will be collected in class. Additionally, assignments may be submitted to the School Office and include a cover sheet. Email and fax submissions are not acceptable. You must keep a copy of assessment materials submitted for your records.

**Extensions and penalties**
Extensions and late submission of assessment pieces are covered by the Student Assessment (Coursework) Policy and Procedure.

The Course Convener may grant extensions for assessment pieces that are not examinations or take-home examinations. If you need an extension, you must request it in writing on or before the due date. If you have documented and appropriate medical evidence that demonstrates you were not able to request an extension on or before the due date, you may be able to request it after the due date.

**Returning assignments**
Assignments and quizzes will be returned in Lecture. The Final exam will not be returned.

**Resubmission of assignments**
No Resubmissions.

**Referencing requirements**
Anything turned in for assessment must reflect the student’s own efforts.

**SUPPORT FOR STUDENTS**
The University offers a number of support services for students. Information on these is available online from [http://students.anu.edu.au/studentlife/](http://students.anu.edu.au/studentlife/)