

ECON1101

MICROECONOMICS 1

Semester 1, 2018 Full Version

The course examines how individuals and firms make decisions by weighing up costs and benefits, and how the interaction of their decisions leads to market and social outcomes. The model of market supply and demand is employed to examine the effects of taxes, subsidies, and other government interventions in market activity. The implications of different market structures, including perfect competition and monopoly, are examined. Public goods, externalities and common resources are key examples of cases in which private markets may yield socially sub-optimal outcomes. Such cases are examined and the role of government policy in correcting for these is discussed.

Mode of Delivery	On campus
Prerequisites	No formal prerequisites
Incompatible Courses	None
Co-taught Courses	None
Course Convenor and Lecturer:	Paul Chen
Phone:	6125 4937
Email:	micro1.anu@gmail.com N.B. Please email using your ANU student number email account.
Office and consultation information:	Arndt 1020 Available for consultation after lecture
Research Interests	Applied microeconomics especially in the areas of labour and behavioural economics.
RSE Student Office	Nicole Millar
Phone:	6125 0384
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RSE Students Webpage	www.rse.anu.edu.au/students
Head Tutor	Minhee Chae, Tel. 6125 4604, Copland 2096

LECTURES

Three lectures each week, all occurring in Llewellyn Hall:

Lecture A – Monday	11-12noon	repeat at 2-3pm
Lecture B – Tuesday	10-11am	repeat at 4-5pm
Lecture C – Thursday	9-10am	repeat at 1-2pm

Students are expected to attend each lecture or its repeat. Students are responsible for all material and announcements that they miss due to absence. Lectures will be held during all 12 teachings weeks of the semester.

TUTORIALS

Tutorial attendance is mandatory. Tutorials will meet weekly beginning in Week 2. Enrolment in tutorials will be completed online through Wattle. Instructions are provided later in this document.

COURSE OVERVIEW

Course Description

Microeconomics examines how consumers and firms make decisions and how they interact with each other in markets. Topics covered include supply and demand, consumer and firm behaviour, price determination and the operation of markets, situations of market failure, and the impact and role of government on the economy. A more detailed list of topics is provided later in this outline.

This course aims to provide a solid understanding of basic microeconomic theory and the ability to apply those tools and ideas. Training in economic analysis will be provided by weekly tutorials that go over sets of problems that cover material discussed in the previous week of lectures.

How to Learn the Material

To learn the material, it is necessary but not sufficient to attend lectures regularly and do the assigned readings. Readings will be announced in advance and a quick read of those pages before the lecture will have a high payoff. Use the lectures as a guide to material which is important and/or may be difficult for the student to understand. Students do best if they attend lecture and take careful notes.

As indicated earlier, a crucial component of the course is the ability to analyse a situation using microeconomic tools. Learning-by-doing is the best way to achieve this ability which is fostered by doing the tutorial problems before attending the tutorial. Learning how to problem solve is not acquired by merely copying down the answers provided in the tutorial. Questions at the end of each chapter in the text provide additional practice in problem solving.

Asking questions in tutorial is encouraged. Tutors are also available in the course Help Desk. Hours and location of the Help Desk will be on Wattle by Week 2. Assistance is provided with the expectation that the student has attended lecture, kept up with the reading, and made a serious effort in answering the tutorial questions. Tutors cannot make up for the lack of student effort.

Passing this course is not difficult if you keep up with the material, pay attention in lecture, prepare for and participate in tutorial, and seek assistance from your tutor or the Help Desk in a timely fashion.

Who to Contact and How

Questions related to the teaching material should be directed to your tutor during tutorial or to any tutor at the Help Desk. The lecturer also welcomes questions during (time-permitting) or after lecture.

Questions about tutorial allocations should be directed by email to the Course Administrator using enquiries.rse@anu.edu.au . For other administrative matters, please speak to your tutor during/after tutorials in the first instance and by email to the Head Tutor in the second instance using micro1.anu@gmail.com. Please use only your ANU student number email address to send and receive emails.

Email should only be used to contact staff about administrative matters and not for instructional purposes. Staff do not respond to emailed questions about teaching material. Due to the very large course enrolment and limited staffing, please allow a few days to receive a response.

While phone contact details have been provided, we greatly prefer for contact to be done through the course email address micro1.anu@gmail.com . This email will be checked and responded to regularly.

Learning Outcomes

On satisfying the requirements for this course, students will:

1. understand the economic principles that underpin modern economics;
2. have a basic understanding of the way budget constrained individuals make optimising choices and the way resources are allocated in private markets;
3. understand the role of different trading arrangements in markets and their impact on prices and the quantities traded;
4. use basic economic principles to evaluate the effects of government interventions and other exogenous changes in markets;
5. be able to evaluate the effects of government interventions in markets;
6. present clearly written analysis of economic issues and problems

Assessment

Assessment Task	% of Course Mark	Due Date	Date for Return of Assessment
Quizzes in Tutorial	15%	Weeks 3-12	Week following quiz. Returned in tutorial.
Mid-Semester Exam (optional, redeemable)	25% (or 0%)	Week 7 (tentative)	Arrangements to view script books will be posted on Wattle.
Final Exam	60% (or 85%)	Exam weeks	

Your course mark will be based on three components:

(1) *Tutorial Quizzes* – 15% of course mark

Six times in tutorial during Teaching Weeks 3 – 12, your tutor will administer a brief, surprise quiz with a question linked to lectures and readings of the preceding week and relatedly, to the tutorial questions of that week. They will be graded as Excellent (Ex, 3 marks), Satisfactory (S, 2 marks), Unsatisfactory (U, 1 mark), or No Credit (NC, 0 marks). The best five of the six quiz marks will count. No makeup quizzes will be scheduled. Students must take the quizzes in their enrolled tutorial.

(2) *Mid-Semester Exam* – 25% (0%) of course mark

The mid-semester exam is optional, although strongly recommended, and redeemable. Tentatively, the exam will be in Teaching Week 7 but the exact date and time will be decided on by the ANU Examinations Section. There will be no deferred examination for this exam.

(3) *Final Exam* – 60% (85%) of course mark

The final exam will cover material presented throughout the semester and will be held during the university examination period.

The course mark percentages above in parentheses apply to those who do not sit the mid-semester exam as well as to those whose course mark would be higher if the redeemable mid-semester exam mark is set aside.

The mid-semester and final exams assess a student's understanding and mastery of the material. Further information about the exam structure will be provided in lecture before the exam date. The motivation behind the tutorial quizzes is to encourage students to keep up with the lectures and readings, work on the tutorial questions, and attend tutorial which are vital in succeeding in this course. The quiz questions may take the form of, for example, defining an important concept recently introduced in lecture or setting up or explaining an important aspect necessary to solve one of the tutorial questions.

Unlike some of the tutorial questions, answering the quiz questions should be straightforward even if one has not yet completely mastered the material. Most students who make a serious effort to keep up with the course and prepare for tutorial should be able to answer the quiz questions and can expect to achieve at least a Satisfactory grade for their answer.

Your “raw” course mark will be based on the raw marks for the above three assessment components appropriately weighted. The final course mark may differ from the raw course mark if scaling is necessary. Scaling may be up or down. Any scaling applied, however, will preserve the rank order of the raw mark. That is, if your raw course mark exceeds or equals that of another student’s, then your scaled course mark will be no less than the other student’s.

Research-Led Teaching

The course material is informed by recent research.

Feedback

Staff Feedback

Feedback provided via verbal comments to students in tutorial and at the Help Desk as well as in lecture to the whole class.

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 [Academic Misconduct Rule](#) before the commencement of their course.

Other key policies include:

- Student Assessment (Coursework)
- Student Surveys and Evaluations

Required Resources

Commonwealth supported students and domestic full-fee paying students generally must be able to complete the requirements of their program of study without the imposition of fees that are additional to the student contribution amount or tuition fees.

Provided that its payment is in accordance with the *Act*, a fee is of a kind that is into any one or more of the following categories:

- (a) It is a charge for a good or service that is not essential to the course of study.
- (b) It is a charge for an alternative form, or alternative forms, of access to a good or service that is an essential component of the course of study but is otherwise made readily available at no additional fee by the higher education provider.
- (c) It is a charge for an essential good or service that the student has the choice of acquiring from a supplier other than the higher education provider and is for:
 - (i) equipment or items which become the physical property of the student and are not consumed during the course of study; or
 - (ii) food, transport and accommodation costs associated with the provision of field trips that form part of the course of study.
- (d) It is a fine or a penalty provided it is imposed principally as a disincentive and not in order to raise revenue or cover administrative costs.

Examination material or equipment

Will be announced in lecture before exams.

Recommended Resources

Recommended Textbook: John B. Taylor and Akila Weerapana, *Principles of Microeconomics*, Version 8.0, Boston: Boston Academic Publishing (doing business as FlatWorld), 2018.

Use <https://students.flatworldknowledge.com/course/2575297> to order from FlatWorld. For further textbook information, please see Wattle course page.

COURSE SCHEDULE

Teaching Week	Summary of Activities	Assessment
1	Lectures	
2	Lectures, tutorials	
3	Lectures, tutorials	Possible tutorial quiz
4	Lectures, tutorials	Possible tutorial quiz
5	Lectures, tutorials	Possible tutorial quiz
6	Lectures, tutorials	Possible tutorial quiz
7	Lectures, tutorials	Possible tutorial quiz Mid-semester exam (tentative)
8	Lectures, tutorials	Possible tutorial quiz
9	Lectures, tutorials	Possible tutorial quiz
10	Lectures, tutorials	Possible tutorial quiz
11	Lectures, tutorials	Possible tutorial quiz
12	Lectures, tutorials	Possible tutorial quiz
	Examination period	Final exam

TENTATIVE OUTLINE OF LECTURE TOPICS AND READINGS

- I. An Introduction to Economics (3 Lectures)
 - A. Economic Methodology – Chapters 1 & 2 (2 Lectures)
 - B. Scarcity, Choice, and Gains from Trade – Chapter 2 (1 Lecture)

- II. Supply and Demand (12 Lectures)
 - A. An Introduction to Supply and Demand – Chapters 3 & 4 (3 Lectures)
 - B. Elasticity – Chapter 4 (1-2 Lectures)
 - C. Consumer Behaviour and Demand – Chapter 5 (2-3 Lectures)
 - D. Firm Behaviour and Supply – Chapter 6 (2 Lectures)
 - E. Markets and Efficiency – Chapter 7, pp. 363-365 (3 Lectures)

- III. Economics of the Firm (10 Lectures)
 - A. Costs of Production – Chapter 8 (3 Lectures)
 - B. Entry, Exit, and Industry Supply – Chapter 9 (1-2 Lectures)
 - C. Monopoly – Chapter 10 (2-3 Lectures)
 - D. Product Differentiation, Monopolistic Competition, and Oligopoly – Chapter 11 (3 Lectures)

- IV. Factor Markets (2-3 Lectures)
 - A. Labour Markets – Chapter 13 (1 Lecture)
 - B. Physical Capital and Financial Markets – Chapter 16 (1-2 Lectures)

- V. Taxes, Public Goods, and Externalities (3-4 Lectures)
 - A. Taxes and Transfers – Chapter 14 (<1 Lecture)
 - B. Public Goods and Externalities – Chapter 15 (3 Lectures)

- VI. International Trade (4 Lectures)
 - A. Gains from International Trade – Reading TBA (3 Lectures)
 - B. Arguments for Trade Barriers – Reading TBA (1 Lectures)

Privacy Notice

The ANU has made a number of third party, online, databases available for students to use. Use of each online database is conditional on student end users first agreeing to the database licensor's terms of service and/or privacy policy. Students should read these carefully.

In some cases student end users will be required to register an account with the database licensor and submit personal information, including their: first name; last name; ANU email address; and other information.

In cases where student end users are asked to submit 'content' to a database, such as an assignment or short answers, the database licensor may only use the student's 'content' in accordance with the terms of service – including any (copyright) licence the student grants to the database licensor.

Any personal information or content a student submits may be stored by the licensor, potentially offshore, and will be used to process the database service in accordance with the licensors terms of service and/or privacy policy.

If any student chooses not to agree to the database licensor's terms of service or privacy policy, the student will not be able to access and use the database. In these circumstances students should contact their lecturer to enquire about alternative arrangements that are available.

Tutorial Enrolment

Tutorial sign up for this course will be via the Wattle website. Please visit the course Wattle site and click on the link "Tutorial Enrolment" for specific tutorial release times. Starting on Monday, 5 February, and ending not beyond Week 2 of the semester, tutorial enrolment for this course will be open. To enrol, follow these steps:

1. Log on to Wattle, and go to the course site
2. Click on the link "Tutorial enrolment"
3. On the right of the screen, click on the tab "Become Member of....." for the tutorial class you wish to enter
4. Confirm your choice

If you need to change your enrolment, you will be able to do so up until the end of Week 2 (2 March) by clicking on the tab "Leave group...." and then re-enrol in another group. You will not be able to enrol in groups that have reached their maximum number. Please note that enrolment in ISIS must be finalised for you to have access to Wattle.

After 2 March, tutorial changes will only be considered under exceptional circumstances and must be approved by the Course Administrator, Nicole Millar (enquiries.rse@anu.edu.au). Students must attend the tutorial section they are enrolled in.

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/>

OTHER INFORMATION

Building Access Hours

Both CBE and HW ARNDT are:

TEACHING PERIOD = Mon-Fri 07.45 to 21.15 and SAT, SUN and Public Holidays is not accessible by students.

Both CBE and HW ARNDT are:

NON TEACHING PERIOD = Mon-Fri 08.00 to 18.00 and SAT, SUN and Public Holidays is not accessible by students.

RSE has a Frequently Asked Questions page where you can find relevant policies and information on a broad range of topics

<https://www.rse.anu.edu.au/students/frequently-asked-questions/>