



University of New South Wales

School of Economics

Econ 6001: Microeconomic Analysis

Instructor: William Schworm

Semester 1, 2006

Course Information

1. Course Staff

Instructor: Gautam Bose
Office: 204 John Goodsell Bldg.
Phone: 9385 3318
Fax: 9313 6337
Email: G.Bose@unsw.edu.au
Consultation: MTh 2 – 4 pm

Instructor: William Schworm
Office: 128 John Goodsell Bldg.
Phone: 9385 3578
Fax: 9313 7691
Email: b.schworm@unsw.edu.au
Consultation: MW 11 – 12.

Bill Schworm is the lecturer-in-charge.

Gautam Bose will lecture weeks 1 – 7. Bill Schworm will lecture weeks 8 – 14.

To discuss any issues with the lecturers, please visit their offices during consultation times or send an email.

2. Course Information

i. Units of Credit

This course has 6 units of credit.

ii. Time and Place

There will be a three-hour class from 5:00 to 8:00 pm each Tuesday which will combine elements of lecture and tutorial. The lectures and tutorials will be held in room G040 in the Quadrangle Building.

iii. Relationship to Other Courses

This course is one of the four core courses in the Master of Economics program and is one of the required courses in the Economics PhD program.

You are strongly advised to take Econ 6004, Mathematical Economics, either before or contemporaneously with this course.

iv. Course Schedule

A course schedule with detailed reading assignments is available on WebCT.

v. Course Objectives

This course is an introduction to modern microeconomic theory and as such has several purposes:

- to introduce students to the major ideas of modern microeconomics and to develop their understanding of these ideas;
- to develop students' facility with analytic economic models; and
- to develop students' ability to solve economic problems with the ideas, techniques, and models available to professional economists.

We study individual decision-making by economic agents, the determination of prices and resource allocation in competitive equilibrium markets, game theory, strategic behaviour by firms under imperfect competition, and contracting with imperfect information.

vi. Course Outcomes

Students should achieve the following outcomes:

- a comprehension of the major ideas of modern microeconomics and an understanding of the strengths and limitations of these ideas;
- the ability to analyse standard economic models and to derive the implications of these models; and
- the expertise to apply economic models to new applications.

vii. Teaching Strategies

The reading assignments and the lectures will provide an overview of some of the major ideas in microeconomics and an introduction to the standard models. In addition, the reading assignments and the lectures will present applications of these ideas and models to specific problems for which analytical answers can be calculated. This gives you an opportunity to learn the ideas and models, see some simple applications and begin the process of learning to use these models on your own.

You will be given periodic problem sets to test your knowledge of the subject matter and to give you practise with the analytic aspects of economic models. Furthermore, you will learn to apply economic models to new areas. The problem sets will provide the link between the broad ideas presented in the lectures and the detailed examples used in particular applications.

viii. Learning Strategies

You should study the assigned readings before coming to the lecture each week. The lectures will assume you have a preliminary knowledge of the subject matter and will use the lectures to help you with the material you may find more difficult to learn on your own.

You will be given periodic assignments which are an essential part of the course. The assignments will not be marked so you will not be asked to submit your work. We will discuss the answers in class and you will be expected to participate in the discussion. Since the problems on the exams will be similar in character to the assigned problems,

your serious effort on the assignments is a necessary condition for good performance on the exams.

The lectures will proceed quickly with each lecture building on previous lectures. It is essential that you study and complete all assignments each week so that you do not fall behind.

ix. Continual Course Improvement

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW's Course and Teaching Evaluation and Improvement (CATEI) Process is one of the ways in which student evaluative feedback is gathered. Significant changes to courses and programs within the School are communicated to subsequent cohorts of students.

For further information on the CATEI process, see the following website:

http://www.ltu.unsw.edu.au/ref4-5-1_catei_process.cfm

3. Student Responsibilities and Conduct

i. Workload Expectations

It is expected that you will spend at least ten hours per week studying this course. This time should be made up of reading, research, working on exercises and problems and attending classes. In periods where you need to complete assignments or prepare for examinations the workload may be greater.

Over commitment has been a cause of failure for many students. You should take the required workload into account when planning how to balance study with employment and other activities.

ii. Attendance

Your regular and punctual attendance at lectures and tutorials is expected in this course. University regulations indicate that if students attend less than eighty per cent of scheduled classes they may be refused final assessment.

iii. General Conduct and Behaviour

You are expected to conduct yourself with consideration and respect for your fellow students and teaching staff. Conduct which unduly disrupts or interferes with a class, such as ringing or talking on mobile phones, is not acceptable and students may be asked to leave the class. More information on student conduct is available on myUNSW.

iv. University Regulations

You should study the University's rules and procedures at the start of the session.

v. Keeping Informed

You should take note of all announcements made in lectures, tutorials or on the course web site. From time to time, the University will send important announcements to your university e-mail address without providing you with a paper copy. You will be deemed to have received this information.

4. Assessment

i. Formal Requirements

In order to pass this course, you must attend lectures and tutorials, make a satisfactory attempt at all assessment tasks and achieve a mark of at least 50%. Some programs, such as the Economics PhD program, may require a higher mark for continuation in the program.

ii. Assessment

There will be two midterm exams during the lecture time during the session. The first midterm will examine some of the subject matter in Gautam Bose's part of the course and the second midterm will examine some of the subject matter in Bill Schworm's part of the course. These exams are designed to give you early feedback on whether or not you are meeting the expected outcomes of the course.

There will be a final examination during the University's examination period which will cover **all** the material for the session with one-half of the exam covering material from the each half of the course.

The exams will be designed to test your knowledge of the subject matter covered in the lectures, reading assignments and the problems. In the exam, you will be asked to solve problems that are similar to the weekly assignments but will have new aspects.

iii. Course Mark

In computing your course mark, each midterm exam will have a weight of 25% and the final exam will have a weight of 50%.

iv. Final Examination

The scheduling of examinations is managed by the University. The final examination for this course may be scheduled at any time during the session's examination period. The examination period for Session 1, 2006 falls between 16 June and 4 July. Please be sure that you are available for the scheduled examination since no examinations will be given at alternate times. If you believe you may not be available for the full examination period you should withdraw from this subject.

Students with employment commitments must make arrangements with employers to sit for examinations. The University adheres strictly to the rule that employment reasons will not be accepted as an excuse for absence from an examination.

When the provisional examination timetable is released (May 9), ensure that you have no clashes or unreasonable difficulty in attending the scheduled examinations. The final examination timetable is released on Tuesday 30 May.

Further information on examination procedures and advice concerning illness or misadventure may be found on myUNSW.

v. Special Consideration

If you believe your performance on any assessment is adversely affected by sickness or other adverse circumstances which you can document, you should notify the Registrar and ask for special consideration in the determination of your results.

Requests for special consideration must be accompanied by appropriate documentation. The request should be made as soon as possible after the problem occurs and never more than a week after the relevant assessment.

A supplementary final examination is recommended for a student only if the final examination performance has been affected by serious illness or other extraordinary circumstances which can be documented **and** there is evidence on the basis of performance during the session that the student has made satisfactory progress.

Special consideration request forms and details of required documentation are available from the Student Centre in the Chancellery. For further information on the UNSW policy and process for Special Consideration, please see the information on myUNSW.

5. Resources for Students

i. Texts

The primary text for the course is

Kreps, David M., *A Course in Microeconomic Theory*, Harvester Wheatsheaf, 1990. (S 338.5/130)

which is available for purchase in the Co-op Bookstore and the call number is given in parentheses.

Other texts that provide alternative presentations of at least some of the course topics are the following:

Jehle, Geoffrey A., and Philip J. Reny, *Advanced Microeconomic Theory*, 2nd edition, Addison-Wesley, 2001. (S 338.5/192)

Mas-Colell, Andreu, Michael D. Whinston and Jerry R. Green, *Microeconomic Theory*, Oxford University Press, 1995. (S 338.5/165)

Varian, Hal R., *Microeconomic Analysis*, 3rd edition, Norton, 1992. (S 330/459)

You may refer to any of these if you want an alternative presentation or point of view. These texts are available in the library and the call numbers are given in parentheses.

The course syllabus which will be provided separately contains references to articles published in professional Economics journals. Unless otherwise indicated on the syllabus, these may be downloaded from JSTOR (<http://www.jstor.org/>).

ii. Background Texts

You should expect to find the reading assignments difficult. However, if you feel you simply cannot understand the primary text without some background reading, then I recommend you try the following:

Gravelle, H., and R. Rees, *Microeconomics*, 2nd edition.

Then, give the assigned readings another try.

If you would like a more advanced treatment of the subject matter in the second half, try the following:

Fudenberg, Drew, and Jean Tirole, *Game Theory*, MIT Press, 1992.

iii. *Mathematics Texts*

If you feel that you need some background reading in mathematics for economists, then I recommend you try the following:

Blume, L, and C. Simon, *Mathematics for Economists*, Norton, 1991.

iv. *WebCT*

Subject documents, notifications, assignments, lecture notes and exams from previous years may be obtained from WebCT:

<http://www.webct.unsw.edu.au/>.

To obtain access to this site, you enter your student number prefixed with a lower case z and your unipass password.

For information on using WebCT, see the following site:

http://www.webctsupport.unsw.edu.au/student/content/T1_getstart.cfm.

v. *Library*

The texts for this course and many of the articles are available on Open Reserve in the UNSW Library. Further information about the library and its training and support services may be found at the following website:

<http://info.library.unsw.edu.au>.

vi. *Education Development Unit*

Learning support is available from the Education Development Unit (EDU) in the Faculty. EDU services are free and confidential and are available to students of the Faculty of Commerce and Economics. The services offered for FCE students include:

- Academic skills workshops run throughout the session;
- Printed and on-line study skills resources e.g. referencing guide, report writing and exam preparation;
- A drop-in resource centre containing books and audio visual material that can be borrowed;
- A limited consultation service for students with individual or small group learning needs.

More information about the EDU services including on-line resources, workshop details and consultation request forms are available from the EDU website:

<http://education.fce.unsw.edu.au>

or at their office: Room 2039, Level 2 Quadrangle Building.

vii. *Disabilities*

Those students who have a disability that requires some adjustment in their teaching or learning environment are encouraged to discuss their study needs with the lecturer prior to, or at the commencement of, their course, or with the Equity Officer (Disability) who may be contacted on 9385 4734 or by email (L.Alsop@unsw.edu.au) or through the Equity and Diversity Unit website:

<http://www.equity.unsw.edu.au/>.

viii. Learning Centre

In addition to the EDU services, the UNSW Learning Centre provides academic skills support services for students. The Learning Centre is located on Level 2 of the Library and can be contacted by phone on 9385 3890 or through their website:

<http://www.lc.unsw.edu.au/>.

ix. Counselling Service

Students experiencing problems of an academic or personal nature are encouraged to contact the Counselling Service at UNSW. This service is free and confidential and run by professional counsellors. The Counselling Service is located on Level 2, Quadrangle East Wing, and can be contact by phone on 9385 5418 or through their website:

<http://www.counselling.unsw.edu.au/>.

6. Academic Misconduct and Plagiarism*i. Academic Misconduct*

The University regards academic misconduct as an extremely serious matter. Students found guilty of academic misconduct are usually excluded from the University for 2 years although this may range from one session to permanent exclusion depending on the circumstances.

You should read the Faculty's statement on misconduct:

http://www.fce.unsw.edu.au/current_students/responsibilities.shtml#misconduct

and you may find an online version of the University's policy at

http://www.student.unsw.edu.au/academiclife/assessment/academic_misconduct.shtml.

ii. Plagiarism

Plagiarism is the presentation of the thoughts or work of another as one's own.*

Examples include:

- direct duplication of the thoughts or work of another, including by copying work, or knowingly permitting it to be copied. This includes copying material, ideas or concepts from a book, article, report or other written document (whether published or unpublished), composition, artwork, design, drawing, circuitry, computer program or software, web site, Internet, other electronic resource, or another person's assignment without appropriate acknowledgement;
- paraphrasing another person's work with very minor changes keeping the meaning, form and/or progression of ideas of the original;
- piecing together sections of the work of others into a new whole;
- presenting an assessment item as independent work when it has been produced in whole or part in collusion with other people, for example, another student or a tutor; and,

* Based on that proposed to the University of Newcastle by the St James Ethics Centre. Used with kind permission from the University of Newcastle.

- claiming credit for a proportion a work contributed to a group assessment item that is greater than that actually contributed.

Submitting an assessment item that has already been submitted for academic credit elsewhere may also be considered plagiarism.

The inclusion of the thoughts or work of another with attribution appropriate to the academic discipline does not amount to plagiarism.[†]

Students are reminded of their Rights and Responsibilities in respect of plagiarism, as set out in the University Undergraduate and Postgraduate Handbooks, and are encouraged to seek advice from academic staff whenever necessary to ensure they avoid plagiarism in all its forms.

The Learning Centre website is the central University online resource for staff and student information on plagiarism and academic honesty. It can be located at:

www.lc.unsw.edu.au/plagiarism

The Learning Centre also provides substantial educational written materials, workshops, and tutorials to aid students, for example, in:

- correct referencing practices;
- paraphrasing, summarising, essay writing, and time management;
- appropriate use of, and attribution for, a range of materials including text, images, formulae and concepts.

Individual assistance is available on request from The Learning Centre.

Students are also reminded that careful time management is an important part of study and one of the identified causes of plagiarism is poor time management. Students should allow sufficient time for research, drafting, and the proper referencing of sources in preparing all assessment items.

7. Administrative Matters

i. Grievances

If you are unhappy with some aspect of the course, you should discuss this with the lecturers in the first instance. If you are not satisfied with their response, you should approach the Head of the School of Economics about the matter. You should also consider seeking the advice of the Faculty's Academic Adviser or your program coordinator.

ii. OHS Policies

Occupational Health and Safety policies and student responsibilities may be found on myUNSW.

[†] Adapted with kind permission from the University of Melbourne.