

THE UNIVERSITY OF
NEW SOUTH WALES



SCHOOL OF ECONOMICS

ECON 2101 MICROECONOMICS 2

SESSION 1, 2008

COURSE INFORMATION AND LECTURE SCHEDULE

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Microeconomics 2 Website
<http://vista.elearning.unsw.edu.au/>

CONTENTS	PAGE
1. TEACHING STAFF	2
2. INFORMATION ABOUT THE COURSE	2
2.1 units of credit and class hours	2
2.2 lecture times and locations	2
2.3 in-session assessment dates and times	2
2.4 tutorial group allocations	2
2.5 relationship of this course to other courses	3
2.6 approach to learning and teaching	3
2.7 Parallel Teaching	3
3. COURSE AIMS AND OUTCOMES	3
3.1 course aims	3
3.2 student learning outcomes	3
3.3 Teaching and learning Strategies	4
4. CONTINUAL COURSE IMPROVEMENT	4
5. ASSESSMENT	5
5.1 formal requirements	5
5.2 Assessment Details	5
5.3 Special Consideration and Supplementary Examinations	6
6. ACADEMIC HONESTY AND PLAGIARISM	7
7. STUDENT RESPONSIBILITIES AND CONDUCT	8
7.1 Workload	8
7.2 Attendance	8
7.3 General Conduct and Behaviour	8
7.4 Keeping Informed	8
7.5 general responsibilities	8
8. STUDENT RESOURCES	9
8.1 course website	9
8.2 textbook and readings	9
8.3 other resources, support and information	9
9. LECTURE AND TUTORIAL PROGRAM	10

1. Teaching Staff

The *Course Administrator* is Xuan Vinh Vo Room 449, Australian School of Business Ph. 9385-3349 email: x.vo@unsw.edu.au .

Any questions regarding administrative matters (such as your allocation to a tutorial group) should be directed to the Course Administrator.

The *Lecturer-in-charge* is Gautam Bose (ASB RM 451; Ph. 9385 3318, email: g.bose@unsw.edu.au). The Lecturer-in-charge is responsible for the overall direction and content of the course.

A list of *tutors* for the course will be published on the course Web site.

You should feel free to approach your *lecturer* about any academic matter. All lecturers and some tutors will have specific consultation hours. These hours will be posted on the course website. Lecturers and the Course Administrator may be contacted by e-mail, however, e-mail is not an appropriate medium for resolving technical questions regarding course material. These should be asked of your tutor or lecturer in consultation hours.

2. Information about the course

2.1 units of credit and class hours

This course is worth 6 units of credit.

There are 2 x 1 hour lectures per week and 1 x 1 hour tutorial class

2.2 lecture times and locations

Lectures are on:

Monday	10.00-11.00 pm	Keith Burrows Theatre (K-J14-G5)
Wednesday	12.00-1.00 pm	Keith Burrows Theatre (K-J14-G5)

2.3 in-session assessment dates and times

There will be two in-session examinations that will be held out of regular class hours. Please check the schedule below, and ensure that you are able to attend these examinations by re-scheduling any conflicting engagements.

Exam 1	Thursday April 17	6pm – 8pm	
Exam 2	Thursday May 15	6pm – 8pm	

2.4 tutorial group allocations

Enrolment in tutorials is via www.my.unsw.edu.au

Tutorials start in week 1. From week 1, moving from one tutorial group to another will not be permitted unless you have compelling reasons. You should consult the *Course Administrator* about these matters.

Attendance at tutorials is compulsory. Attendance also implies that you will be fully prepared to enter into any discussion and answer any question raised, so students are advised to prepare answers in advance. It is imperative that you attend the group to which you are allocated.

If, owing to illness or other exceptional circumstances, you are unable to attend your usual tutorial, you may try to attend another tutorial in the same week. However, **you are expected to attend your usual tutorial class at least 8 times during the session.** In certain circumstances, such as where a request for special consideration is made (see below), tutorial attendance will be taken into account in determining your final assessment or whether a supplementary exam is offered.

2.5 relationship of this course to other courses

This course provides a broad overview of Microeconomics at an intermediate level. It builds on the foundation established in ECON1101 (Micro 1), and uses mathematical techniques taught in ECON1202 (QMA). It is also a prerequisite for several third-year and honours courses. Many of these later courses develop ideas first introduced in Micro 2.

There are several second year courses, especially ECON2112 (Game Theory) and ECON2105 (Economics of Corporations), that complement the material taught in this course.

2.6 approach to learning and teaching

This course takes the approach that economic theory is best learnt through extensive practice with problem-solving. Students spend much of their energies working through numerical problems that require the direct application of theoretical principles. The philosophy underpinning the teaching in this course follows the “Guidelines on Learning that Inform Teaching at UNSW” (see www.guidelinesonlearning.unsw.edu.au) .

2.7 parallel teaching

There is no parallel teaching in this course.

3. Course Aims and Outcomes

3.1 course aims

The aim of this course is to provide an intermediate course in microeconomic theory. A substantial part of the course is devoted to the study of rational decision-making under certainty and uncertainty, and to the modelling of associated problems. We then move on to study how individual economic decisions interact in markets with varying degrees of competition, paying substantial attention to the comparative welfare outcomes produced by different market forms. We conclude with an introduction to problems raised by uncertainty and information, and general equilibrium theory.

3.2 student learning outcomes

By the end of this course you should be able to:

1. Demonstrate an understanding of economic concepts and their appropriate usage;
2. Construct economic arguments in terms of these concepts, and present logical economic arguments in verbal, geometric and algebraic form;
3. Use appropriate mathematical techniques to construct and solve economic models;
4. Apply economic models to the analysis of choice problems and markets.

The course aims to provide benefits to students in terms of:

- The ability to use economic principles in ‘rational’ decision-making;
- An understanding of the different market environments in which management, social, and individual business decisions must be made;
- An understanding of the preconditions for markets to operate efficiently;
- An ability to apply economic principles to applied problems.

3.3 teaching and learning strategies

The examinable content of the course is defined by the Text references given in the Lecture Schedule, the content of Lectures, assigned problems in the Workbook and the content of the Tutorial Program.

Lectures

The purpose of Lectures is to provide a logical structure for the topics that make up the course, to emphasise the important concepts and methods of each topic, and to provide relevant examples to which the concepts and methods are applied.

Tutorials

The purpose of tutorial meetings is primarily to provide an opportunity for small group discussion of issues to which economic concepts and methods can be applied, and to use those concepts and methods to understand applied problems (the workbook problems) which are assigned as homework.

Homework questions are assigned from the Workbook. Assignments are attached to this handout. The problems test whether you can apply what you have learned. Answers will not simply be found by looking in your lecture notes or your text. Students should prepare these questions in advance. Due to time constraints, not all assigned problems will be covered in tutorials.

Out-of-Class Study

While students may have preferred individual learning strategies, it is important to note that most learning will be achieved outside of class time.

Lectures can only provide a structure to assist your study, and tutorial time is limited.

An “ideal” strategy (on which the provision of the course materials is based) may include:

*Reading of the relevant chapter(s) of the text **before the lecture.**

This will give you a general idea of the topic area.

*Attendance at lecture.

Here the context of the topic in the course and the important elements of the topic are identified, The relevance of the topic is explained, and problem solving methods are explained.

* Attempting the Workbook problems, checking their solutions, and preparing answers for them.

This will identify the things you need to do to demonstrate your understanding of a topic, and guide your re-reading of specific parts of the text. This will also provide a self-test of your understanding, and identify those parts of the topic with which you have problems. Most importantly, the workbook problems will provide practice in problem-solving skills that are crucial for exam success. This should be done after the lecture and before the following week’s tutorial.

* Attending Tutorials.

4. 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

(http://www.ltu.unsw.edu.au/content/course_prog_support/catei.cfm?ss=0) is one of the ways in which student evaluative feedback is gathered.

5. Assessment

5.1 formal requirements

In order to pass this course, you must:

- ❑ achieve a composite mark of at least 50; and
- ❑ make a satisfactory attempt at all assessment tasks (see below).

5.2 assessment details

Assessment will consist of :

In-Session exam 1	Thursday April 17, 6:30-8pm	20%
In-session exam 2	Thursday May 15, 6:30-8pm	20%
Tutor's assessment	Ongoing	10%
Comprehensive final examination	As scheduled	50%

SATISFACTORY PERFORMANCE IS REQUIRED IN ALL PARTS OF THIS COURSE

Final results for this course will be mailed to you. They will not be posted or transmitted to you in any other manner. This is the policy of the School of Economics. Requests for early results will not be granted.

Some students require a credit in Microeconomics 2 in order to obtain accreditation for other courses. You should note that this does not provide grounds for requesting reconsideration of your mark in Microeconomics 2.

IN-SESSION EXAMINATIONS:

Two in-session exams will be held from 6pm to 8pm on April 17 and May 15 respectively, at venues to be announced. The exam will consist of 4 or 5 problems and short essay questions worth a total of 20 marks. The exams will test your ability to set up and solve problems similar to those that are assigned for homework and tutorials. Marks will be reserved both for setting up and for obtaining correct solutions.

Note: There will be NO supplementary exam offered for the In-Session Examinations. You should make every effort to take the examinations. Students who fail to attend the examinations will need to apply for Special Consideration. Any student who, for reasons of serious illness, cannot attend an exam will need full and convincing documentation of that illness. Students who are found to be genuinely too ill to have attended an exam will have their mark in the remaining assessment tasks re-weighted to include the mark reserved for the missed exam. In all other cases of non-attendance students will receive a grade of zero.

Special Consideration applications must be made within 3 days of the Exam through NewsouthQ in the Chancellery and NOT through the lecturer-in-charge or course administrator (you should advise the course administrator that you have made an application). You will need to provide full documentation of the reason for the absence (eg, illness). Employment obligations of any kind are not acceptable reasons for absence from any test/examination.

TUTOR'S ASSESSMENT

Homework consists of problems from the Workbook, and occasionally additional assigned problems. Homework is assigned for each week, and must be submitted to your tutor at the beginning of tutorial the following week. Tutors will normally record the homework as "done",

“substantially done”, or “not done”—they will generally not mark the problems. Solutions to some of the problems will be discussed in tutorial, and all solutions will be provided on the course website.

However, two or three times during the semester, and without advance notice, homework will be marked in detail, and marks will be recorded.

Tutors will mark attendance in tutorials. Attendance will not be granted to any student who arrives at the tutorial more than 10 minutes late.

The tutor’s assessment will be based on homework submission record (3), marked homeworks (3) and attendance (4).

FINAL EXAMINATION:

This will be held in the University examination period (June) and will be 3 hours long. The final exam will be divided into two parts. The first part (20 marks) will be based on material not examined in the in-session exams. The second part will examine material from the entire course. Further information on the content of the Final Exam will be provided towards the end of session.

It is important to note that a satisfactory performance in the Final Examination is required to pass this course.

5.3 special consideration and supplementary examinations

UNSW Policy and Process for Special Consideration

(see <https://my.unsw.edu.au/student/atoz/SpecialConsideration.html>)

- Applications for special consideration (including supplementary examinations) must go through UNSW Central administration (within 3 working days of the assessment to which it refers) – applications will **not** be accepted by teaching staff;
- Applying for special consideration does not automatically mean that you will be granted additional assessment or that you will be awarded an amended result;
- If you are making an application for special consideration (through UNSW Central Administration) please notify your Lecturer in Charge;
- Please note that a register of applications for Special Consideration is maintained. History of previous applications for Special Consideration is taken into account when considering each case.

ASB Policy and Process for Special Consideration and Supplementary Exams in Undergraduate Courses

In the ASB, requests for special consideration are determined by a Faculty wide panel which will advise the Lecturer in Charge of appropriate action.

If the Faculty panel (see above) grants a special consideration request, this may entitle the student to sit a supplementary examination. In such cases the following procedures will apply:

- Supplementary exams will be scheduled centrally and will be held approximately two weeks after the formal examination period. Actual date will be advised by mid-semester.
- Where a student is granted a supplementary examination as a result of a request for special consideration, the student’s original exam (if completed) will not be marked and only the mark achieved in the supplementary examination will count towards the final grade.

Further information concerning supplementary examinations is available on the ‘Policies and Guidelines for Current Students’ page of the ASB website: www.business.unsw.edu.au/currentstudents.

6. Academic Honesty and Plagiarism

The University regards plagiarism as a form of academic misconduct, and has very strict rules regarding plagiarism. For full information regarding policies, penalties and information to help you avoid plagiarism see: www.my.unsw.edu.au/student/atoz/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,
- 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.

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

† Adapted with kind permission from the University of Melbourne.

7. Student responsibilities and conduct

7.1 workload

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.

7.2 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.

7.3 general conduct and behaviour

You are expected to conduct yourself with consideration and respect for the needs of 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 at: www.my.unsw.edu.au

7.4 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. It is also your responsibility to keep the University informed of all changes to your contact details.

7.5 general responsibilities

It is your responsibility to ensure that:

1. You are recorded by the University as being correctly enrolled in all your courses. The last day for students to discontinue without financial penalty is **Monday March 31** and the last day to discontinue without academic penalty is **Sunday 27 April**.
2. You have successfully completed all prerequisite courses. Any work done in courses for which prerequisites have not been fulfilled will (unless an exemption has been granted) be disregarded, and no credit will be given nor grade awarded.
3. You organise your affairs to take account of examination and other assessment dates where these are known.
 - a. There are **TWO in-session examinations** scheduled for the **evenings on April 17 and May 15 (Thursdays)**.
 - b. Be aware that your final examination may fall at any time during the session's examination period. The scheduling of examinations is controlled by the University administration. No early examinations are possible. The examination period for Session 1, 2008 falls between **11 June and 27 June**.
4. You keep the University informed of all changes to your contact details.
5. You make a copy of all work submitted for assessment, and keep returned marked assignments and essays.

A full list of UNSW Key Dates is located at:

<https://my.unsw.edu.au/student/resources/KeyDates.html>

8. Student Resources

8.1 course website

The Microeconomics 2 website may be found among others of your courses at:

<http://vista.elearning.unsw.edu.au/>

Students are expected to:

- Make sure that they are officially enrolled in Microeconomics 2
- Familiarise themselves with WebCT Vista.
- Access this site at least weekly as the site will contain important announcements about the course, as well as lecture summaries and tutorial solutions. In addition, it will carry most of the subject information, midsession exam results and tutorial allocations, as well as trial exam questions.

It will be assumed that all students have seen any notice posted on the course website. VistaWebCT information and support services can be found at:

<http://support.vista.elearning.unsw.edu.au/>

8.2 textbook and readings

The prescribed textbook for this course is:

Varian, Hal (2006) *Intermediate Microeconomics*, Seventh Edition [Norton].

The accompanying workbook is **required**:

Bergstrom & Varian (2006): *Workouts in Intermediate Microeconomics*, Seventh Ed. [Norton]

The publisher has agreed to supply the UNSW bookshop with a package containing both the textbook and the workbook, at a price which is significantly lower than the price of the two books purchased separately. Students should not overlook the workbook.

8.3 other resources, support and information

The University and the ASB provide a wide range of support services for students, including:

Learning and Study Support:

- **ASB Education Development Unit**

The Education Development Unit (EDU) provides learning support and assistance to all students in the ASB, to enable them to enhance the quality of their learning. The EDU services are free, and tailored to meet the academic needs of students in the Australian School of Business.

The role of the EDU is to provide

- A range of support initiatives for students from the Australian School of Business in relation to their transition to university;
- Learning skills development, resources and activities for Business students
- Academic writing and skills workshops throughout the session;
- Printed and online study skills resources, such as referencing guides, report writing and exam preparation;
- A drop-in EDU Office containing books and resources that can be borrowed;
- A limited consultation service for students with individual or small group learning needs.

The EDU website www.business.unsw.edu.au/edu contains information, online resources and useful links as well as providing information and dates for workshops. More information about the EDU services including resources, workshop details and registration, and consultation request forms are available from the EDU Office.

EDU Contact Details

Location Room GO7 Ground Floor,
West Wing, Australian School of Business Building
Telephone: 02 9385 5584
Email: Edu@unsw.edu.au
Website www.business.unsw.edu.au/edu

UNSW Learning Centre (<http://www.lc.unsw.edu.au>)

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

Technical support:

For any technical support issues (difficulty logging in to websites, problems downloading documents, etc) you can contact the UNSW IT Service Desk at:
(02) 9385 1333 ; Email: servicedesk@unsw.edu.au

Counselling support - <http://www.counselling.unsw.edu.au>

Students experiencing problems of a personal or academic nature are encouraged to contact the Counselling Service at UNSW. This consultation service is free and confidential and run by professional counsellors. The Counselling Service also conducts workshops on topics such as 'Coping With Stress' and 'Procrastination'. The Counselling Service is located on Level 2, Quadrangle East Wing, and can be contacted on 9385 5418.

Library training and support services - <http://info.library.unsw.edu.au>

Disability Support Services

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 Course Coordinator or the Equity Officer (<http://www.studentequity.unsw.edu.au/disabil.html>). Early notification is essential to enable any necessary adjustments to be made.

In addition, it is important that all students are familiar with University policies and procedures in relation to such issues as:

- **Examination procedures** and advice concerning illness or misadventure
<https://my.unsw.edu.au/student/academiclife/assessment/examinations/examinationrules.html>
- **Occupational Health and Safety** policies and student responsibilities;
<https://my.unsw.edu.au/student/atoz/OccupationalHealth.html>

9. Lecture and Tutorial Program

Lectures will explicate the theoretical content of each topic and provide an overview of problem-solving techniques. The bulk of the assessment in the course consists of solving problems using the theory and the associated techniques.

Working through the workbook problems should constitute the central part of your study strategy. Each chapter of the starts with worked examples leading into the problems, and should be worked through. The "warm-up" problem should also be done prior to the assigned problems. Remember that, in the exams, you will have to show detailed working leading up to your solutions. Do the assigned problems accordingly. Finally, even though the homework assignments only specify a subset of the problems in the workbook, you will benefit by working through the non-assigned problems as well.

Tutors will discuss a few of the homework problems in tutorial. If you had difficulty with a specific one, please ask.

ECONOMICS 2101: LECTURE SCHEDULE AND HOMEWORK ASSIGNMENTS				
	Week of	Topics	Text reference	Homework from Workbook (due in the next tutorial)
1	10 March	Introduction Budget constraints	Ch. 2	Ch 2: 1,3,5,7,8,11,12
2	17 March	Preferences Utility	Ch. 3 Ch. 4	Ch 3: 1,2,3,8,10,12,13,15 Ch 4: 1,2,3,5,6,8,10
3	31 March	Choice Demand	Ch. 5 (skip 5.4, 5.6) Ch.6 sec 2,5,6,8 & appendix Ch. 15 sections 1& 2	Ch 5: 1,2,3,4,7,8,9 Ch 6: 1,2,3,4,5,6,7,12
4	7 April	Consumer surplus Equilibrium	Ch. 14 Ch. 16	Ch 14: 1,4,5,6,7,10 Ch 16: 1,2,4,6,11,12
EXAM 1 ON MATERIAL COVERED IN WEEKS 1-4: THURSDAY 17 APRIL 6-8PM				
5	14 April	Technology Profit-maximisation	Ch. 18 Ch. 19	Ch 18: 1,2,3,4,9,10,11
6	21 April	Profit-max (contd.) Costs	Ch. 20 & 21	Ch 19: 1,2,3,4,6,9,10 Ch 20: 1,2,3,4,9
7	28 April	Supply	Ch. 22 & 23	Ch 21: 1,2,3,4,5 Ch 22: 1,2,3,6,7,10
8	5 May	Monopoly	Ch. 24 (sections 1 to 5)	Ch 23: 1,2,5,6,11,13 Ch 24: 1,3,4,5
EXAM 2 ON MATERIAL COVERED IN WEEKS 5-8: THURSDAY 15 MAY 6-8PM				
9	12 May	Oligopoly	Ch. 27 (sections 1 to 6)	Ch 27: 1,2,3,6,8,10,11
10	19 May	Choice under uncertainty	Ch. 12 (incl. appendix)	Ch 12: 1,2,3,6,7,10,11,12
11	26 May	General Equilibrium	Ch. 9 (sections 1 to 5) Ch. 31 (sec 1-4,8,9) Ch. 32 (sections 1-8)	Ch 9: 1,3,7,8,12 Ch 31: 1,2,3,5,7 Ch 32: 2.
12	2 June	Asymmetric information Wrap-up	Ch. 37	Ch 37: 1,3,6.
FINAL EXAM AS SCHEDULED.				