

HKUST, Economics
ECON 2113 Microeconomics (L01)
LSK 1009 (Lecture)

LSK 1005 (Tutorial)

Ernest LAI
Fall 2023
Mon 3:00 – 4:20pm
Fri 10:30 – 11:50am
Fri 3:30 – 4:20pm

Course Description

Economics is a social science that studies choice behavior. Microeconomics is the branch in which the focus of the analysis is on individuals: how individual consumers, households, and firms make choices, primarily in a market setting.

This course exposes you to the fundamental concepts in microeconomics and the essential toolkit of economists for analyzing choice behavior and decision makings. How individual choices interacted to determine the market outcomes will also be an important topic to be examined. At a higher level, this course introduces you to the *economists' way of thinking*.

Course Intended Learning Outcomes (CILOs)

Upon finishing the course, students are expected to be able to:

1. Understand and apply theories on markets: including the market price determination, the efficiency and fairness of market system, the conditions under which markets can perform well, and how the market will change in responding to changing environment. (SILOs 1 and 4)
2. Understand the framework to address the role of government and able to apply it: when and in which direction the government should intervene the markets, also how to evaluate the impact of relevant government's policies on markets. (SILOs 1 and 4)
3. Understand consumers' optimal decision making and apply it. (SILOs 1 and 4)
4. Understand firms' optimal decision making under different market structure and apply it. (SILOs 1 and 4)
5. Understand the economic methodology and be able to apply it. (SILOs 1 and 4)

UG School Intended Learning Outcomes (SILOs)

Required Text

Park, Michael. 2022. *Microeconomics*. 14th ed. Pearson.

Prerequisites

Grade C, D, or E in HKAL Economics OR level 3 or above in HKDSE Economics.

Exclusions

ECON 2103, ECON 3113, ECON 3133, SOSC 1440, grade B or above in HKAL Economics, or a passing grade in AL Business and Economics.

Administrative

- Instructor: Professor Ernest LAI (賴港華)
 - ◇ Office: LSK 6083
 - ◇ Tel: 2358 7608
 - ◇ Email: ernest.lai@ust.hk
 - ◇ Office hours: Tue, 4:00 – 5:00pm, or by appointment
- TA: Peter TSUI
 - ◇ Office: LSK 6066
 - ◇ Email: ecpeter@ust.hk
 - ◇ Office hours: Fri, 2:00 – 3:30pm, or by appointment

Assessments

- Homework (5 problem sets): 15%
- Midterm exam (20 Oct, 5:00 – 7:00pm): 35%
- Final exam (TBD by ARO): 50%

Teaching Approach

- Lectures: Learn key concepts and models and their applications. (CILOs 1, 2, 3, 4, 5)
- Tutorials: Discuss questions related to lecture material and additional economic issues. (CILOs 1, 2, 3, 4, 5)

Rules and Policies

Academic Integrity. We take academic integrity very seriously. Each student is expected to complete all academic course work in accordance with the standards and regulations set forth in the [Academic Honor Code](#) and [Regulations](#). All cases of suspected misconduct will be reported to the Dean's office whose decision will be final and binding.

Homework. Problem sets will be posted and submitted on Canvass. No late homework will be accepted. Solutions will be posted after the due dates.

Exams. The midterm and final are 120-minute tests. The midterm will be held in the evening (5:00 – 7:00pm) of 20 October. The date of the final will be determined by ARO.

There will be no make-up for the midterm. For the final, if you have an excused absence that has been verified to be valid by the ARO, a make-up will be arranged. Any sick leave certificate must be issued prior to the exam time and will be subject to close scrutiny. Retrospective request for make-up will not be considered.

Attendance and Participation. It is your responsibility to attend all the classes in order to do well, and it is my responsibility to make the classes useful so that you find it optimal to attend. I hope this “mutual-responsibility” can help us achieve a high attendance rate.

While we do not assign any score for attendance or participation, if your final grade happens to be barely below the threshold for the next higher grade and I recognize you as an active participant, you may receive an upgrade. I reserve the discretion in any upgrade.

Class Schedule (subject to changes)

Week 1: 1 Sep

- Chapter 1: What is Economics?

Week 2: 4 – 8 Sep

- Chapter 2: The Economic Problem
- Chapter 3: Demand and Supply

Week 3: 11 – 15 Sep

- Chapter 3: Demand and Supply (Cont.d)
- Chapter 4: Elasticity

Week 4: 18 – 22 Sep

- Chapter 4: Elasticity (Cont.d)
- Chapter 5: Efficiency and Equity

Week 5: 25 – 29 Sep

- Chapter 6: Government Actions in Markets
- Chapter 8: Utility and Demand

Week 6: 2 – 6 Oct

- Chapter 9: Possibilities, Preferences, and Choices
- Chapter 11: Output and Costs

Week 7: 9 – 13 Oct

- Chapter 11: Output and Costs (Cont.d)

Week 8: 16 – 20 Oct

- Midterm review on 16 Oct
- Midterm on 20 Oct (no lecture and tutorial on this day)

Week 9: 27 Oct

- Chapter 8: Competitive Firms and Markets

Week 10: 30 Oct – 3 Nov

- Chapter 12: Perfect Competition

Week 11: 6 Nov – 10 Nov

- Chapter 13: Monopoly

Week 12: 13 Nov – 17 Nov

- Chapter 14: Oligopoly
- Chapter 16: Public Choices, Public Goods, and Healthcare

Week 13: 20 Nov – 24 Nov

- Chapter 17: Externalities

Week 14: 27 Nov

- Final review