

HKUST Dept of Economics
Econ 2103 L2 & L3
Principles of Microeconomics
Spring 2024

Course website: <https://canvas.ust.hk>

Venue: Room 2503

Lecture time: L2: Mon 03:00-4:20PM; Fri 10:30-11:50AM

L3: Mon 01:30-2:50PM; Fri 09:00-10:20AM

Tutorial: T2: Thu 06:00 -06:50PM at LSK Room 1007

T3: Mon 06:00-06:60PM at Room 2502

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Office: LSK 6083B

Teaching Assistant: To, Jeremy

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Office hours: Thu 4:30-5:30PM

Office: LSK 6066

Course Description:

As an introductory course, this course intends to cover fundamental concepts and theories used in microeconomic analysis. Economics provides a powerful way of thinking which helps you to understand many economic and social phenomena. I'll use many real world examples to enhance your learning. By studying how consumers and firms make decisions, you will understand how a market works to allocate resource into most valued uses. You will also learn when markets don't work and what some remedies are in that case. Firms' optimal decision under different market structures will also be studied.

Course Intended Learning Outcomes (Course ILOs)

Upon completion of this course, you will 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. (SILO 1, 3)
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.(SILO 1, 3)
3. Understand consumers' optimal decision making and apply it. (SILO 1, 3)
4. Understand firms' optimal decision making under different market structure and apply it. (SILO 1, 3)
5. Understand the economic methodology and be able to apply it. (SILO 1, 3)

For the details of SILOs, please refer to:

Teaching Approach

This course is primarily delivered through lectures and tutorials.

Teaching and learning activities	Roles in the course	Course ILOs addressed
Lectures	Learn key concepts and models and their applications	1,2,3,4,5
Tutorials	Review basic math, discuss answers to homework questions and additional economic issues	1,2,3,4,5

Tutorial does NOT meet every week. You will be notified when there is a tutorial.

Textbook:

Required: Mankiw, *Principles of Microeconomics 9e*, Asia Edition, Cengage.
ISBN 978-981-49-1535-9

Assessment:

Assessment Activities	Weighting	Course ILOs assessed
Class Participation	5%	
Best 5 of 6 homework assignments	25%	1,2,3,4,5
1 midterm exam	0% or 25%	1,2,3,4,5
1 final exam	45% or 70%	1,2,3,4,5

Your total score is based on the higher of the two weighting schemes:

Scheme 1: 5% CP + 25% HW + 25% Midterm +45% Final

Scheme 2: 5% CP + 25% HW + 70% Final

If you miss 3 lectures or less, you receive the full 5% of participation. You lose 1% for every lecture missed beyond the first 3. If you miss 8 lectures or above, you receive no class participation marks.

You will be given 6 homework assignments during the semester via Canvas. Late homework will NOT be accepted. Only best 5 of the 6 homework assignments will be counted towards your grade. Homework is not graded precisely. As long as you submitted the homework and got most of the questions correctly, you will receive full marks for that homework. Copying others' homework is cheating and will be reported to the school and subject to formal investigation.

Assessment is based on detailed Topic intended learning outcomes, which will be provided at the end of each topic.

Midterm is scheduled on March 19, 2024 (Tuesday) 7-9pm. Lectures during the midterm exam week will be held as usual. Lecture on May 10th is cancelled.

There is no make-up for the midterm exam. If you miss the final exam with valid reason, you'll have a make-up exam scheduled within 24 hours of the missed final. Sick-leave notice must be issued before the exam time, if any.

Please check website for your grade of homework assignments and midterm as soon as you get them back. Any discrepancy should be reported to TA within 1 week from the date of returning your assignments and midterm. Late complaints will not be entertained.

Academic Integrity

Please read the information on academic integrity carefully and follow the instruction: <https://registry.hkust.edu.hk/resource-library/academic-honor-code-and-academic-integrity> . You should be familiar with Academic Honor Code and the content on Academic Integrity website.

I try my best to make the course requirement as clear as possible. When you have any question and when you encounter any difficulty in studying, please do not hesitate to consult me either in or out of class throughout the semester. I'd be delighted to help you succeed in the course. Please remember that ultimately it is you who are responsible for your performance in the course. It is that you earn the grade, not I give you the grade! You know what grade you need to earn (or want to earn) for graduation, scholarships, exchange opportunities, honors, etc. So, when the grade is out, one thing that I absolutely will **NOT** do is to change your grade because what you want (need) is different from what you get.

Course Outline

Part I. Introduction

- Chapter 1&2. What is Economics
- Chapter 2&3. Gains form Trade

Part II. How Markets Work

- Chapter 4. Demand and Supply
- Chapter 5. Elasticity
- Chapter 7. Efficiency and Equity
- Chapter 6 & 8. Government Policies
- Chapter 9. International Trade

Part III. Firms and Organization of Industry

- Chapter 13. Cost of Production and Market Structure
- Chapter 14. Perfect Competition
- Chapter 15. Monopoly
- Chapter 17. Oligopoly

Part IV. Additional Topics (if time allows)