

HKUST Dept of Economics
Econ 2103 L4, L5, & L6 (3 credits)
Principles of Microeconomics
Spring 2025

Exclusion(s)

ECON 2113, ECON 3113, ECON 3133, SOSC 1440, Level 3 or above in HKDSE Economics

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

Lecture time: **L4:** Mon 03:00-4:20PM; Fri 10:30-11:50AM **Venue:** LSK 1010
L5: Mon 01:30-2:50PM; Fri 09:00-10:20AM **Venue:** LSK 1010
L6: Mon 10:30-11:50AM; Wed 10:30-11:50AM **Venue:** LSK 1007

Tutorial: T4: Thu 11:00 -11:50AM at LSK Room 1034
T5: Thu 03:30-04:20PM at LTK
T6: Thu 06:00-06:50PM at LSK 1010

Instructor: YU, Yan Kelly

E-mail: yanyu@ust.hk Phone: 2358-7606

Office hours: Wed 3:00-3:30PM

Office: LSK 6083B

Teaching Assistant: Yip, Victor (T5); Tsoi, Pang (T4, T6)

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Office hours: by appointments

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:

<http://undergrad.bm.ust.hk/academics/academic-programs/learning-outcomes>

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

There is no tutorial in the first week.

Textbook:

Required: Mankiw, *Principles of Microeconomics 9e or 10e*, 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

For every lecture you attend, you earn 0.25% as class participation, up to 5%.

There is also a 1 point bonus mark for tutorial attendance in addition to the 100 points total: for every tutorial you attend, you earn 0.15 point, up to 1 point maximum.

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 26, 2025 (Wednesday) 7-9pm. L6's lecture on that day 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. You must inform me before the exam time if you will miss the final exam. Final exam covers all topics taught.

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.

A total score (after adding the bonus point) of 90 points or above guarantees A range score regardless of class average score. 80 points guarantees a B range score.

Course AI Policy

Use generative AI to facilitate your study is encouraged. For homework assignments, please work out the questions by yourself first before getting help from generative AI. But you're allowed to use generative AI for homework. Midterm and Final exams are closed-book, closed-note exams. Use of generative AI is not allowed for exams.

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 from 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)**Grading Rubric:**

Grades	Short Description	Elaboration on subject grading description
A	Excellent Performance	Students demonstrate a strong grasp of the course material and effective application of economic methods taught. They excel in problem sets, and perform exceptionally on exams. They exhibit exceptional analytical skills and critical thinking skills. Consistently contribute to class discussion.
B	Good Performance	Students demonstrate a solid understanding of course materials, proficient use of economic methods taught. They are competent in completing problem sets. They show commendable analytical skills and effective critical thinking. Regular participation in class discussion.
C	Satisfactory Performance	Students demonstrate an adequate understanding of course material, and can apply economic methods taught to familiar problems. They are able to complete problem sets in time. They display acceptable analytical skills and critical thinking in exams and participate in class discussion.
D	Marginal Pass	Students demonstrate basic understanding of course material, inconsistent use of economic methods taught, and marginal performance in problem sets. They show basic analytical skills and critical thinking in exams. Their participation in class discussions is inconsistent.
F	Fail	Students demonstrates insufficient understanding of the course material and lacks the necessary problem-solving skills. They display limited ability to think critically or analytically and exhibits minimal effort towards achieving learning goals. Their participation in class discussion is minimal.