

ECON2113 Microeconomics

2024-25 Fall, Department of Economics, HKUST

TIME AND LOCATION

Lecture Time: Monday/Wednesday 10:30-11:50am (Group L03)

Lecture Location: LSK1010

Tutorial Time: Thursday 11:30-12:20pm

Tutorial Location: LSK1014

CONTACT INFORMATION

Instructor: Rui Tang (ruitang@ust.hk)

Office Hour: Wednesday 13:30-14:30, LSK6082

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

COURSE DESCRIPTION

Microeconomics studies markets based on decisions made by individual actors in an economy such as consumers, business firms and government, facing scarcity of resources. In this course, students will learn key concepts in microeconomics and basic tools to understand an allocation mechanism of markets.

COURSE MATERIALS

Textbook: “Microeconomics, edition: 14/E.” by Michael Parkin, published by Pearson International. Any additional material will be included in lecture notes or posted separately on Canvas.

ASSESSMENT SCHEME

Problem sets: 10% in total 5 problem sets; work in groups; group size ranges from 1 to 4 students (it is your own choice); each group only submits one copy through Canvas (but everyone needs to submit in his/her system); late submission will be discounted by 50%.

Midterm: 30%, 21 Oct

Random In-class Quiz: 10%, 2 times

Final: 50%, TBA

Note: In the case of a missed midterm/final (with a valid excuse), a make-up exam will be given but will be **much harder**. Sick leave notice **must** be issued **before** the exam time and a letter issued by a doctor with sign **must** be provided together.

INTENDED LEARNING OUTCOMES (ILO)

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)

Business School Intended Learning Outcomes (SILO) available at:

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

RUBRICS FOR FINAL GRADE

Excellent Performance (A range): Demonstrates a deep understanding of the decision theory materials covered in the course. Knows very well how to apply the knowledge learnt in the course to solve problems.

Good Performance (B+, B): Show a solid grasp of the materials covered in the course. Demonstrates good skills in applying the knowledge learnt in the course to solve problems.

Marginal Performance (B-, C+, C): Has basic knowledge of the materials covered. Demonstrates reasonable skills in applying the knowledge learnt in the course to solve problems.

Fail: Demonstrates insufficient understanding of the course materials. Not able to apply the knowledge learnt in the course to solve problems.

COURSE FORMAT/TEACHING APPROACH

- I. Lectures: Learn key concepts and models and their applications (Course ILOs addressed: 1,2,3,4,5)
- II. Tutorials: Review basic math, discuss answers to homework questions and additional economic issues (Course ILOs addressed: 1,2,3,4,5)

Note: Tutorial starts in the **second** week of the semester, i.e., **no tutorial in the first week**.

ACADEMIC HONESTY AND INTEGRITY

Honesty and Integrity is central value in HKUST. Please be aware of the importance and maintain high standard of honesty in the problem sets and examinations in this course. Please familiarize yourself to the university rules and the HKUST academic honor code.¹ The code will be strictly enforced, and any violation cases will be reported to the university.

COURSE SCHEDULE (SUBJECT TO MINOR CHANGE)

¹<https://registry.hkust.edu.hk/resource-library/academic-honor-code-and-academic-integrity>

Data	Session	Topics
Part I: Introduction		
2 Sep (Mon)	1	Chapter 1: What is Economics?
4 Sep (Wed)	2	Chapter 2: The Economic Problem
Part II: <u>How Markets Work</u>		
9 Sep (Mon)	3	Chapter 3: Demand and Supply (1)
11 Sep (Wed)	4	Chapter 3: Demand and Supply (2)
16 Sep (Mon)	5	Chapter 4: Elasticity (1)
23 Sep (Mon)	6	Chapter 4: Elasticity (2)
25 Sep (Wed)	7	Chapter 5: Efficiency and Equity
30 Sep (Mon)	8	Chapter 6: Government Actions in Markets
2 Oct (Wed)	9	Chapter 7: Global Markets in Action
Part III: <u>Households' Choices</u>		
7 Oct (Mon)	10	Chapter 8: Utility and Demand
9 Oct (Wed)	11	Chapter 9: Possibilities, Preferences, and Choices (1)
14 Oct (Mon)	12	Chapter 9: Possibilities, Preferences, and Choices (2)
16 Oct (Wed)		Midterm Review
21 Oct (Mon)		Midterm Exam (10:30-11:50, classroom to be assigned)
Part IV: <u>Firms and Markets</u>		
23 Oct (Wed)	13	Chapter 11: Output and Costs (1)
28 Oct (Mon)	14	Chapter 11: Output and Costs (2)
30 Oct (Wed)	15	Chapter 12: Perfect Competition (1)
4 Nov (Mon)	16	Chapter 12: Perfect Competition (2)
6 Nov (Wed)	17	Chapter 13: Monopoly
11 Nov (Mon)	18	Chapter 14: Monopolistic Competition
13 Nov (Wed)	19	Chapter 15: Oligopoly
18 Nov (Mon)	20	Chapter 16: Public Choices, Public Goods, and Healthcare
20 Nov (Wed)	21	Chapter 17: Externalities
25 Nov (Mon)	22	Chapter 20: Uncertainty and Information
27 Nov (Wed)	23	Final Review