

The Hong Kong University of Science and Technology
ECON3014 Managerial Microeconomics (4 Credits)
Department of Economics, Fall 2024-25

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Lecture: Mon Wed 12:00pm – 1:20pm, Room 1034 LSK

Tutorial: Mon 6:00pm – 6:50pm, Room 1010 LSK

Course Description

As a core course for SBM BBA ECON majors or equivalent, this course covers foundation knowledge. Through this course, students will gain a solid understanding of microeconomic models, analytical frameworks, and methodologies, emphasizing topics such as individual decision-making under uncertainty, consumer and producer behavior under asymmetric information, internal control of a firm, pricing behavior of firms with market power, strategic interaction among firms and their behavior, and analysis of a two-sided market. To enhance your understanding of the course materials, I will make references to real-world examples.

AASCSB Assurance of Learning (AOL)

- Goal 3: Graduate will demonstrate a broad understanding of business functions and in-depth knowledge of their major.
- Learning objectives and assessment rubrics for goal 3:

Learning Objectives	Emerging	Developing	Mastering
3.1 Demonstrate a broad understanding of different business functions and domains to formulate integrated solutions.	Demonstrate little or inconsistent knowledge to identify key functional areas. Fail to understand the problem thoroughly in order	Demonstrate an acceptable ability to identify key functional areas that are involved in specific business problems. Able to understand the	Demonstrate a high level of ability to identify key functional areas that are involved in specific business problems and explain clearly if

	to make use of different functional areas to formulate integrated solutions.	problem enough to make use of different functional areas to formulate adequate, but not comprehensive, solutions.	and how they are interrelated. Understand the problem with a clear sense of scope and context in order to make use of various functional areas to formulate integrated and comprehensive solutions.
3.2 Demonstrate substantial knowledge of their business major to solve business problems.	Demonstrate limited knowledge of their business major to solve business problems in their business major.	Demonstrate adequate knowledge of their business major to solve business problems in their business major.	Demonstrate substantial knowledge of their business major to solve business problems in their business major.

- *This AACSB AOL assessment exercise do not affect students' learning experience and course grades.*
- Program Intended Learning Outcomes (PILOs) available at <https://econ.hkust.edu.hk/programs-n-courses/econ/econ-curriculum>

Intended Learning Outcomes (ILOs)

Upon completion of this course, you will be able to:

1. Develop an understanding of microeconomic theories and tools, including some advanced topics such as asymmetric information, firm internal organization, and price discrimination (SILO #1, 3, 4).
2. Apply microeconomic theories and related tools to explain real-world problems, such as a firm's output decision and pricing decision (SILO #1, 3, 4).
3. Understanding the interaction between market and government and to achieve better understanding in public policy analysis (SILO #1, 3, 4).

4. Remain conscious of what is happening around you and to apply what you have learned (SILO #1,2, 3, 4).

School Intended Learning Outcomes (SILOs) available at <https://bmundergrad.hkust.edu.hk/academics/academic-programs/learning-outcomes>.

Course Format

The course is delivered through lectures and tutorials. Each week, students attend two 80- minute lectures. When needed, tutorials will be provided. Topics and times of tutorials will be announced in advance during lectures and on Canvas. Please note that lectures and tutorials are not “substitutes” but “complements” to each other. Make sure you attend both lectures and tutorials.

Course Materials and Websites

- Lecture notes are the main learning resources of this course.
- The course does not have a required textbook. Below is a list of useful references.
 - “*Intermediate Microeconomics: A Modern Approach*,” Seventh Edition, by HAL R. VARIAN. Published by W.W Norton & Company, Inc.
 - “*Microeconomics*,” Eighth International Edition, by PINDYCK and RUBINFELD. Published by Pearson Education, Inc.
- All course materials and announcements will be posted on CANVAS: <http://canvas.ust.hk>. You should visit CANVAS frequently to receive the latest announcement, obtain class materials and verify your personal grading record.

Assessment and Grading

The assessment is based on the problems sets, writing assignments, midterm exam and final exam. The weights of the components in the final grade are:

A1. Problem Sets (15%)

- There will be 5 assignments.
- You have to turn in your own problem set answer on or before the deadline. Problem set submission would be done by uploading your answer through CANVAS.
- No late submission will be accepted.

A2. Writing Assignment (10%)

- Any phenomena you observe in your daily life that you find interesting. Excluding the figures and tables, you should write no less than 800 words and no more than 1000 words. The due day will be 7 Dec 2024, 23:50 (the last day of the study break)

A3. Midterm exam (30%)

- There will be ONE in-class midterm exam. The midterm exam will cover lecture materials, problem sets, and assigned readings (if any).
- Date of midterm exam: 16 Oct 2024
- For students absent from the midterm exam with my prior approval, your weighting of the midterm exam will be transferred to the final exam. Your request for absence from the midterm exam must

be supported by valid documents, such as an original copy of a medical certificate issued by a registered medical practitioner. Absence from the midterm exam without approval will result in a ZERO score.

A4. Final exam (45%)

- The final exam is CUMULATIVE. The final exam will cover lecture materials, problem sets, and assigned readings (if any).
- Date of final exam: 9 to 20 December 2024 (To be announced by ARO)
- If you intend to travel at the end of the semester, please be careful to arrange your travel plans to avoid any schedule clash. Request for a change of final examination date will not be accommodated.
- For students who are absent from the final exam with prior approval, a make-up exam will be arranged. A make-up exam will be scheduled as soon as possible and should be within one week after the official final exam date (to be announced). It is the responsibility of those who request a make-up exam to ensure their availability. The make-up arrangement can be in the form of a written exam, oral exam or research paper, etc. Please NOTE that the instructor has the final discretion on all arrangements of the make-up exam. Students who request for the make-up final exam should comply with all the requirements as communicated by the instructor. Failing to meet any requirement may result in a ZERO score.

Overall Grading Plan for the Course:

Problem Sets	15%
Writing Assignment	10%
Midterm Exam	30%
Final Exam	45%

- All assessment marks for individual assessed tasks will be released within two weeks of the due date.
- The alignment of the course ILOs and Assessment is shown in the following table.

Learning outcome	Assessment
1. ILO1	A1,A2,A3,A4
2. ILO2	A1,A2,A3,A4
3. ILO3	A1,A2,A3,A4
4. ILO4	A1,A2,A3,A4

Rubrics for Final Grade

Grades	Short Description	Elaboration on subject grading description
A+, A, A-	Excellent Performance	Demonstrates a comprehensive grasp of microeconomic theories and tools covered in the course. Exhibit exceptional skills in utilizing the taught techniques to analyze real-life economic issues. Excels in the problems sets and exams.
B+, B, B-	Good Performance	Shows a solid grasp of the microeconomic theories and tools covered in the course. Demonstrates good skills in utilizing the taught techniques to analyze real-life economic issues. Performs well in the problems sets and exams.
C+, C, C-	Satisfactory Performance	Possesses adequate knowledge of microeconomic theories and tools covered in the course. Occasionally demonstrating a decent

		skill in utilizing the taught techniques to analyze real-life economic issues. Acceptable performance in problem sets and exams.
D+, D	Marginal Pass	Has threshold knowledge of microeconomic theories and tools covered in the course. Show limited skills in utilizing them. Below-average performance in problem sets and exams.
F	Fail	Demonstrates insufficient understanding of microeconomic theories and tools covered in the course. Lack skills in utilizing them. Unsuccessful in the problems sets and exams.

Course AI Policy

- You can use GTP or other generative AI freely for this course, including homework. Subject to change based on the university's general policies.
- If you use them for your homework questions, you are required to give them credit properly by stating how they helped you with the questions.
- None of such tools is allowed in the exam.

How to Get Help

TA and I are glad to answer questions and help with your study. If you have any worries or are under pressure about the course, I urge you in the strongest possible terms to get help immediately. I would be happy to talk with you and help you find appropriate solutions.

Academic Integrity

Students are expected to adhere to the university's academic integrity policy. Students are expected to uphold HKUST's Academic Honor Code and to maintain the highest standards of academic integrity. The University has zero tolerance of academic misconduct. Please refer to [Academic Integrity | HKUST – Academic Registry](#) for the University's definition of plagiarism and ways to avoid cheating and plagiarism.

Classroom Etiquette

You are expected to be punctual for both lectures and tutorials and I will start and end the lecture on time. You are welcome to bring your laptop or other devices to lectures for learning purposes. Respect the others in the class and do not disturb others with side conversations, internet surfing, email-checking or instant-messaging during class time.

Topics to be covered

This is a tentative list and is subject to change.

	Topics
1	The Theory of Individual Choice
2	The Theory of Firm
3	The Analysis of Competitive Markets
4	Market Power: Monopoly and Monopsony
5	Pricing Strategies for Firms with Market Power
6	Monopolistic Competition and Oligopoly
7	Market Failures: Externalities and Public Goods
8	Individual Choice under Uncertainty (TBA)
9	The Economics of Information (TBA)

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