# ECON2113 Microeconomics

2025-26 Fall, Department of Economics, HKUST

## Prerequisite and Exclusion

**Prerequisite:** Level 3 or above in HKDSE Economics

**Exclusion:** ECON 1220, ECON 2103, ECON 3113, ECON 3133, SOSC 1440

**Cross-Campus Equivalent Course:** FTEC 2320

**Generative AI:** Allowed

## Time and Location

**Lecture Time:** Monday/Wednesday 9:00AM-10:20AM (L06), 12:00PM-1:20PM (L02)

**Lecture Location:** Room 6591, Lift 31-32 (L06), Room 1034, LSK Building (L02)

**Tutorial Time:** Thursday, 11:00AM-11:50AM (T06), Friday, 3:00PM-3:50PM (T02)
**Tutorial Location:** Room 2503, Lift 25-26 (T06), Room 1034, LSK Building (T02)

## Contact Information

**Instructor:** TANG Rui (ruitang@ust.hk)

**Office Hour:** Monday 14:30-15:30, LSK6082

**TA:** SHI Yun (sashashi@ust.hk)

**Course Website:** https://canvas.ust.hk

## Course Description

By studying how consumers and firms make decisions, you will understand how markets allocate resource into most valued uses. You will also learn when markets don't work and what some remedies are in that case. The course emphasizes on Economic way of thinking and its applications.

## 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:** 30% (Course ILOs assessed 1,2,3,4) There are in total 5 problem sets. You can work in groups, and the group size ranges from 1 to 4 students. It is your own choice to have a big group or work alone. Each group only submits one copy through Canvas (but everyone needs to submit in their system so that it is easier for us to give keep track). Late submission will be discounted by 50%, and there is **no** excuse for late submission.

**Midterm:** 28% (Course ILOs assessed 1,2,3,4), 20 Oct, 9:00-11:20AM

**Final:** 42% (Course ILOs assessed 1,2,3,4), TBA

**Extra Bonus:** There are also a maximum of 3 bonus points could be earned for class attendance. You earn 0.125 bonus point for each lecture you attend, but if you attend at least 20 lectures, you receive the full 3 bonus points for lectures (but if you attend 19 lectures, you receive $19 \times 0.125 = 2.375$ points). No leave of any kind will be counted as attendance.

**Important Note:** There is **no make-up** for the midterm exam. If you miss the midterm exam with a **valid excuse** (I will evaluate whether it is a valid excuse) and inform the instructor before the exam starts, the full weight of your midterm will be given to the final exam. If you miss the midterm exam without a valid excuse or miss it without informing the instructor beforehand, only 23% will be added to your final exam weighting, in which case the final exam accounts for 65%. In the case of a missed final (with a valid excuse), a make-up exam will be given as soon as possible; the make-up exam time will be determined by the instructor without negotiation; the make-up exam is usually **harder**. Sick leave notice **must be** issued before the exam time, if any (for example, if the exam begins at 9:00am, you should send an email to me before 8:59am, and obtain a medical proof within the day).

## Intended Learing Outcomes (ILO)

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

1. Understand and apply the basic concepts, methodology, and analytical frameworks of microeconomic analysis. (SILO #1,#3)
2. Analyze the decision-making processes of consumers and firms, and apply economic principles to determine optimal strategies. (SILO #1, #3)
3. Analyze and apply theories on markets, including market price determination, the efficiency and fairness of the market system, the conditions under which markets can perform well, and how the market will change in responding to a changing environment. (SILO #1, #3)
4. Evaluate the framework for government intervention in markets, apply it to determine when and how the government should intervene, and assess the impact of relevant policies on market outcomes. (SILO #1, #3)

Business School Intended Learning Outcomes (SILO) available at:
http://undergrad.bm.ust.hk/academics/academic-programs/learning-outcomes

## Teaching Approach

**Lectures:** Learn concepts and models and their applications; 1,2,3,4 (Course ILOs addressed)

**Tutorials:** Discuss questions related to lecture material; 1,2,3,4 (Course ILOs addressed)

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

## Rubrics for Final Grade

Excellent Performance (A range): 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.

Good Performance (B range): 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.

Satisfactory Performance (C range): 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.

Marginal Pass (D range): 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.

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.

## 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)

| Data | Session | Topics |
|---|---|---|
| Part I: Introduction | | |
| 1 Sep (Mon) | 1 | Chapter 1: What is Economics? |
| 3 Sep (Wed) | 2 | Chapter 2: The Economic Problem |
| Part II: How Markets Work | | |
| 8 Sep (Mon) | 3 | Chapter 3: Demand and Supply (1) |
| 10 Sep (Wed) | 4 | Chapter 3: Demand and Supply (2) |
| 15 Sep (Mon) | 5 | Chapter 4: Elasticity (1) |
| 17 Sep (Wed) | 6 | Chapter 4: Elasticity (2) |
| 22 Sep (Mon) | 7 | Chapter 5: Efficiency and Equity |
| 24 Sep (Wed) | 8 | Chapter 6: Government Actions in Markets |
| 29 Sep (Mon) | 9 | Chapter 7: Global Markets in Action |
| Part III: Households' Choices | | |
| 6 Oct (Mon) | 10 | Chapter 8: Utility and Demand |
| 8 Oct (Wed) | 11 | Chapter 9: Possibilities, Preferences, and Choices (1) |
| 13 Oct (Mon) | 12 | Chapter 9: Possibilities, Preferences, and Choices (2) |
| 15 Oct (Wed) | | **Midterm Review** |
| 20 Oct (Mon) | | **Midterm Exam (9:00-10:20AM, venue to be assigned)** |
| Part IV: Firms and Markets | | |
| 22 Oct (Wed) | 13 | Chapter 11: Output and Costs (1) |
| 27 Oct (Mon) | 14 | Chapter 11: Output and Costs (2) |
| 3 Nov (Mon) | 15 | Chapter 12: Perfect Competition (1) |
| 5 Nov (Wed) | 16 | Chapter 12: Perfect Competition (2) |
| 10 Nov (Mon) | 17 | Chapter 13: Monopoly |
| 12 Nov (Wed) | 18 | Chapter 14: Monopolistic Competition |
| 17 Nov (Mon) | 19 | Chapter 15: Oligopoly |
| 19 Nov (Wed) | 20 | Chapter 17: Externalities |
| 24 Nov (Mon) | 21 | Chapter 20: Uncertainty and Information |
| 26 Nov (Wed) | 22 | **Final Review** |

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