ECON 2103 L1 - Principles of Microeconomics

Fall 2026

Department of Economics

Hong Kong University of Science and Technology

This version Aug 31, 2026

Lecture Time	Tu & Th 12:00-13:20
Venue	Room G001, CYT
Course Website	https://canvas.ust.hk/
Instructor	Wolfgang Keller
Office	LSK 6079
Contact	wolfgangk@ust.hk
Office Hours	By email appointment, LSK 6079
Teaching Assistant	Sasha SHI
Tutorial	Th 16:00 – 16:50, Rm 1014, LSK
TA Office	LSK 6066
TA Contact	sashashi@ust.hk
TA Office Hours	By email appointment

1 Course Description

This introductory course aims to explore fundamental concepts and analytical tools essential for understanding economics. Microeconomics examines the decisions made by consumers, firms, and government entities within the constraints of resource scarcity. The study of economics provides a powerful framework for comprehending diverse human and social phenomena. Real-world and economic research example will be integrated throughout the course to enhance your grasp of the material. Upon successful completion of this course, you will have developed a microeconomic mindset, empowering you to analyze and interpret the intricate workings of our economic world.

2 Textbook

Principles of Microeconomics, 11th edition by N. Gregory Mankiw, published by South-Western, Cengage Learning.

- You are required to read the assigned textbook chapters. The book also has many practice problems at the end of each chapter. Older editions of the textbook might also work.
- Supplementary materials (if any) will be posted on the course website on Canvas, https://canvas.ust.hk/
- The textbook includes the right to use Mindtap, a web-based software with practice Mindtap use is not required for this course.

3 Course Format, Teaching Approach, and School Intended Learning Outcomes (SILOs)

This course is composed of lectures and tutorials. Students attend two 80-minute lectures and one 50-minute tutorial per week. You need to attend all lectures and tutorials and participate in discussions. Absences in either lecture or tutorial will lower your participation score; moreover, there is evidence that students who do not miss lecture or tutorial achieve better class outcomes. Lectures and tutorials complement each other to achieve the following SILOs:

- Apply economic tools and principles to identify, analyze, and propose explanations for and solutions to real-world issues (SILO # 1, 3, and 4).
- Acquire a fundamental understanding of the operation of the market economy and be able to apply it: including market price determination, efficiency, and fairness of the market system, the conditions under which markets perform well, and how the market (price and quantity transacted) will change in response to a changing environment (SILO # 1, 3, and 4)
- Understand the framework to address the role of government and be able to apply it: when and in which direction the government should intervene in the markets (SILO # 1, 3, and 4)
- Understand firms' optimal decision-making under different market structures, consumers' optimal decision-making, and be able to apply it (SILO # 1, 3, and 4)

AI Usage and Policy

Students are encouraged to use Artificial Intelligence (AI) tools in this class to increase their learning process. Models such as ChatGPT and HKUST Generative AI are becoming increasingly powerful resources to better understand microeconomics.

At the same time, students need to keep in mind, first, that AI does not work perfectly yet—there are some mistakes, and final authority lies with the instructor of this class. Second, for this class, students should learn to use AI not only skillfully but also responsibly. Students should make sure to understand the extent of their knowledge, as opposed to that of their AI agent, because examinations will be held in-person, closed-everything (in particular, no access to AI).

4 Course Website

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 material and verify your personal grading records.

5 Examinations and Grades

Problem sets:

- Problem sets will be assigned for each chapter of the Upon completion of each chapter, a set of assignment questions will be posted in the assignment box on canvas. These questions are selected from the end-of-chapter exercises in this class's textbook. Since the questions are part of the textbook content, they cannot be reproduced due to copyright reasons. Students are thus strongly advised to consult the textbook directly.
- You have to turn in your problem set answer by the deadline. Problem set submission is done by uploading your answer to Canvas. No late submission will be accepted.
- Each problem set is graded with a score of 0, 1 or 2. In computing your problem set grade for the course, your three lowest problem set scores will be dropped.
- Suggested solution will be posted on canvas. If you have any questions about the problem sets, please seek help from me or the

Midterm Exam:

The midterm exam will be on material covered in lectures, tutorials, problem sets, as well as other readings mentioned in class up to the midterm time.

- Time & location: October 22, during class time (different venue, to be announced).
- If for any reason you are unable to attend the midterm exam, you need to seek approval from me before the exam. Your request should be supported by supporting evidence, such as a certificate issued by a registered medical practitioner. Absence from the midterm without prior approval will result in a zero There will be no makeup for the midterm exam.

Final Exam:

The Final Exam is cumulative--it covers material from the entire class. It may include multiple-choice or true-false questions, essay-type explain questions, or other questions.

- Final Exam time: To Be Announced later

If you cannot take the final at the scheduled time, and it is before the scheduled final time, you can ask the instructor for a make-up final. If approved, the make-up final will be scheduled as soon as possible after the regular final, typically one day after the regular final exam. The instructor has discretion on these arrangements, and it is the responsibility of students who request a make-up final to comply with the instructor's instructions. Failing to do so may result in a zero score on the final.

If you intend to travel at the end of the semester, be sure to arrange your travel so that a conflict with the scheduled final exam time is avoided. Request for a change of final examination date due to travel will not be accommodated.

Grading for the Course:

Your total score for the course will be computed according to the following two schemes, whichever yields the higher score for you.

(1): Course Score with Midterm

Problem Sets	10%
Midterm	27%
Final Exam	60%
Participation	3%

(2): Course Score with excused Midterm absence

Problem Sets	10%
Final	87%
Participation	3%

6 Grading Rubrics

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.

7 Academic Honesty and Integrity

Academic integrity and honesty are among the key values of HKUST. Please read the information on academic integrity carefully. It is your responsibility to be familiarized with the Academic Honor Code and the content on the Academic Integrity website (https://registry.hkust.edu.hk/resource-library/academic-honor-code-and-academic-integrity). The Code will be strictly enforced. I will report any violation case to the University without exception and punishment will be imposed accordingly.

8 Email Policy

- To connect to me by email, do send a new message from your @ust.hk account directly to wolfgangk@ust.hk . Messages that (1) respond to an email from me, (2) are emailed through Canvas, or (3) use a non-HKUST email account frequently do not reach me (caught in the spam filter, etc).
- Please check your @ust.hk email frequently to make sure that you receive all class announcements.

9 Course Schedule (as of Aug 31, 2026)

- **Module 1**. (11 lectures)

1. 10 Principles
2. Thinking Like an Economist
3. Interdependence and the Gains from Trade
4. The Market Forces of Supply and Demand
5. Elasticity and Its Applications
6. Efficiency of Markets
7. Supply, Demand, and Government Policies
8. The Costs of Taxation

- **Module 2**. (11 lectures)

1. The Costs of Production
2. Firms in Perfect Competitive Market
3. Monopoly
4. Oligopoly and Game Theory
5. Externalities
6. Public Goods and Common Resources

Other in-class activities

- **Midterm** (1 lecture)
- **Final Review** (or catch-up; 2 lectures)

Other calendar items

- Oct 1: National Day (holiday)
- Class cancellation due to research duties: TBD

Note: This course schedule is tentative; it may be fine-tuned later to better achieve course objectives. The week-to-week lecture schedule will be available on canvas.