ECON2103 (L2-L3) - Principles of Microeconomics

Fall 2026/2027
Department of Economics
Hong Kong University of Science and Technology

Updated Sep 1, 2026

Lecture Time	L2: Tu & Th 9:00 -10:20 am L3: Tu & Th 1:30 - 2:50 pm
Venue	L2: Rm 4579 (Lifts 27-28) L3: LSK 1001
Course Website	https://canvas.ust.hk/
Credits	3
Pre-requisite	None
Exclusion	ECON 2113, ECON 3113, ECON 3133, SOSC 1440, Level 3 or above in HKDSE Economics

Instructor:	LI, Xuan
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Office Hours:	Tu 3:00 - 4:30 pm, or by appointment

Teaching Assistants	YIP, Victor
Office	LSK 6066
Email	victory@ust.hk
Tutorials	T2: Tu 6:00 - 6:50 pm, LSK 1011 T3: Tu 5:00 - 5:50 pm. LSK 1014
Office Hours	By appointment

A. Course Description

As an introductory course, this will cover the fundamental concepts and tools of microeconomic analysis. Economics provides a powerful way of thinking that helps you to understand many human and social phenomena. Real-world examples and cases will be used as much as possible to enhance your understanding.

This course is delivered through lectures and tutorials. Students attend two 80-minute lectures per week. Please attend all lectures and participate in discussions. Tutorials will be arranged as needed. Tutorial times and topics will be announced on CANVAS.

B. Course Intended Learning Outcomes (ILOs)

By the end of this course, students should be able to:

1. Apply economic tools and principles to identify, analyze and propose explanations for and

solutions to real world issues

2. Acquire a fundamental understanding of the operation of market economy and being able to apply it: including the market price determination, the efficiency and the fairness (strength and weakness) of market system, the conditions under which the markets can perform well, and how the market (price and quantity transacted) will change in responding to changing environment

3. 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

4. Understand firms` optimal decision making under different market structure, consumers` optimal decision-making and able to apply it

C. Assessment and Grading

This course will be assessed using criterion-referencing and grades will not be assigned using a curve. Detailed rubrics for each assignment are provided below, outlining the criteria used for evaluation.

Problem sets

- Problem sets will be assigned for each chapter of the textbook. You have to turn in your problem set answer on or before the deadline. Problem set submission would be done by uploading your answer through CANVAS. Only electronic submission in PDF format is allowed. NO late submission will be accepted. If you have any questions about the problem sets, please seek help from me or the TA.

- You are encouraged to form small study groups of at most 4 members to work on the problems. If you decide to work in a group, only one group member needs to submit a copy on behalf of all the group members, with the names and student IDs of every member listed at the beginning of your problem sets.

- *N-2* problem sets will be counted into final grade (*N*= # problem sets).

Midterm Exam

There will be one midterm exam. The midterm exam will cover lecture materials, problem sets, and assigned reading.

- Nov 5 (Thursday) at 7:30 pm (Outside Regular Class Hour)

There will be no make-up exam for the midterm. If you are absent from the midterm exam with my approval, the midterm exam weighting will be transferred to the final exam. In order to be granted an absence from the midterm exam, you must provide a valid document, such as an original copy of a medical certificate issued by a licensed physician. The absence from the midterm exam without approval will result in a score of ZERO.

Final Exam

The Final Exam is CUMULATIVE. The final exam will cover lecture materials, problem sets, and assigned reading.

- December 7-19 (To be announced by the ARO)

If you intend to travel at the end of the semester, please be careful when arranging your travel plans to avoid any scheduling conflicts. Request for a change of final examination date will not be accommodated.

With the approval of the instructor and the Academic Registrar, make-up exams will be arranged for students absent from the final exam. The absence request must be supported by valid documents, such as a registered medical practitioner's original medical certificate. Absence from the final exam without approval will result in a score of ZERO. A make-up exam will usually be scheduled on the day following the official final exam date (or the day after the sick leave ends). It is the responsibility of the individual requesting make-up to ensure that he or she is available.

All arrangements for the make-up exam are at the instructor's discretion. The student must comply with all the requirements as communicated by the instructor in advance of the makeup final exam. The failure to meet any requirements may result in a ZERO score.

Overall Grading for the Course

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

Scheme (1): Total Course Score with Midterm

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

Scheme (2): Total Course Score with Excused Midterm Absence

Problem Sets	10%
Final	87%
Participation	3%

Mapping of Course ILOs to Assessment Tasks

Teaching & Learning Activities	**Roles**	ILOs Addressed
Lectures	Explain key concepts and their applications; Cases and examples to build student's critical and analytical ability	1, 2, 3, 4
In-class Q&A and discussion	Encourage class participation, critical thinking and discussion	1, 2, 3, 4
Tutorials	Further exploration of economic concepts covered in lectures using newspaper articles and current events	1, 2, 3, 4
Problem Sets	Enhance understanding of course materials and their application through practice	1, 2, 3, 4

Grading Rubrics

(1) Problem Sets

Each problem set is graded with a score of 0, 1 or 2. Those students who demonstrate reasonable effort in solving the problem set questions will receive the full score.

(2) Midterm Exam

The midterm exam will consist of multiple-choice questions. Correct answers will result in a score.

(3) Final Exam

The final exam will consist of multiple choice questions as well as questions that require answers in words, graphs, and mathematical calculations. Each question (or sub-question) will be scored based on the correctness and completeness of the answers. Incomplete answers will be considered for partial credit.

Final Grade Descriptors

Grades	Short Description	Elaboration on subject grading description
A	**Excellent Performance**	Demonstrates an excellent understanding of the fundamental concepts, methodology, and analytical framework of microeconomics. Exhibits exceptional problem-solving skills, including problem definition, evaluation of information and sources, and applying critical and creative thinking to real-world economic issues.
B	**Good Performance**	Demonstrates a solid understanding of the fundamental concepts, methodology, and analytical framework of microeconomics. Exhibits solid problem-solving skills, including problem definition, evaluation of information and sources, and applying critical and creative thinking to real-world economic issues.
C	**Satisfactory Performance**	Demonstrates a satisfactory understanding of the fundamental concepts, methodology, and analytical framework of microeconomics. Exhibits problem-solving skills to some extent, including problem definition, evaluation of information and sources, and applying critical and creative thinking to real-world economic issues.
D	**Marginal Pass**	Demonstrates a limited understanding of the fundamental concepts, methodology, and analytical framework of microeconomics. Exhibits limited problem-solving skills, including problem definition, evaluation of information and sources, and applying critical and creative thinking to real-world economic issues.
F	**Fail**	Demonstrates a lack of understanding of the fundamental concepts, methodology, and analytical framework of microeconomics. Exhibits little or no problem-solving skills, including problem definition, evaluation of information and sources, and applying critical and creative thinking to real-world economic issues.

Communication and Feedback

1. Problem set scores will be released via Canvas within one week of submission, with suggested solutions provided for reference.

2. Midterm exam scores will be released via Canvas within two weeks, with paperchecking sessions to be conducted within three weeks.

3. Final exam scores will be released via Canvas within three weeks, with paperchecking sessions to be conducted within four weeks.

D. Required Texts and Materials

"**Principle of Microeconomics**, 11th Edition" by N. Gregory Mankiw, published by South-Western, Cengage Learning.

- You are required to read the assigned textbook chapters / sections. (Most) problem sets can be found in the textbook.
- Textbook includes the right to "Mindtap" (a web-based software with practice questions). Using Mindtap is NOT required. Feel free to make your own choice.

All additional and supplementary materials will be delivered in the lecture PPT or posted on CANVAS.

E. 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. The Code will be STRICTLY enforced. The instructor will report any violation cases to the University without exception, and punishment will be imposed accordingly.

F. Course AI Policy

The use of Generative AI in project is permitted with proper acknowledgement and will NOT be contributed to the students' work.

G. Email Policy

- When sending me email, directly send to: xuanli@ust.hk. Please avoid replying to my announcements or sending me emails through CANVAS. Please your UST account for email communication, and put down your full name and student ID.
- Please put down at the Email Subject Line: ECON2103 L2/L3: [e.g.: Question on Midterm]
- Please check your UST email frequently or set up email forwarding so as to receive the most up-to-date announcements.

H. Tentative Course Schedule

Lecture #	Date	Content	
1	Sep 1	Ch1	10 Principles
2	Sep 3	Ch1, Ch2	10 Principles (Cont'd) Thinking Like an Economist
3	Sep 8	Ch3	Interdependence and the Gains from Trade
4	Sep 10	Ch3 Ch4	Interdependence and the Gains from Trade (Cont'd) The Market Forces of Supply and Demand
5	Sep 15	Ch4	The Market Forces of Supply and Demand (Cont'd)
6	Sep 17	Ch5	Elasticity and Its Applications
7	Sep 22	Ch5	Elasticity and Its Applications (Cont'd)
8	Sep 24	Ch7	Efficiency of Market
9	Sep 29	Ch7	Efficiency of Market (Cont'd)
10	Oct 6	Ch6, Ch8	Government meets Market
11	Oct 8	Ch6, Ch8	Government meets Market (Cont'd)
12	Oct 13	Ch14	The Costs of Production
13	Oct 15	Ch14	The Costs of Production (Cont'd)
14	Oct 20	Ch 15	Firms in Perfect Competitive Market
15	Oct 22	Ch15	Firms in Perfect Competitive Market
16	Oct 27	Ch15 Ch16	Firms in Perfect Competitive Market (Cont'd) Monopoly
17	Oct 29	Ch16	Monopoly
18	Nov 3	Ch16	Monopoly (Cont'd)
19	Nov 5	**Midterm Exam**	
20	Nov 10	Ch18	Oligopoly
21	Nov 12	Ch18	Oligopoly (Cont'd)
22	Nov 17	Ch10	Externalities
23	Nov 19	Ch10	Externalities (Cont'd)
24	Nov 24	Ch11	Public Goods and Common Resources
25	Nov 26	TBA	