The Hong Kong University of Science and Technology

ECON3014 Managerial Microeconomics (4 Credits)

Department of Economics, Fall 2026-27

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Lecture: Monday Wed 12:00pm – 1:20pm 2404

Tutorial: Monday 6:00:00pm – 6:50pm, Room 1034 LSK

Platform: Canvas

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, consumer and producer's behavior, internal control of a firm, pricing behavior of firms with market power, strategic interaction among firms and their behavior. 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 to make use of different functional areas to formulate integrated solutions.	Demonstrate an acceptable ability to identify key functional areas that are involved in specific business problems. Able to understand the problem enough to make use of different functional areas to formulate adequate, but not	Demonstrate a high level of ability to identify key functional areas that are involved in specific business problems and explain clearly if and how they are interrelated. Understand the problem with a clear sense of scope and context in order to

		comprehensive, solutions.	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.***

Intended Learning Outcomes (PILOs)

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 firm internal organization and price discrimination (PILO #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 (PILO #1, 3, 4).
3. Understanding the interaction between market and government and to achieve better understanding in public policy analysis (PILO #1, 3, 4).
4. Remain conscious of what is happening around you and to apply what you have learned (PILO #1, 2, 3, 4).

- Program Intended learning outcomes (PILOs) available at https://econ.hkust.edu.hk/programs-n-courses/econ/econ-curriculum

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.
- Recordings of each lecture will also be made available.

Assessment and Grading

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

A1. Participation (5%)

- Record your participation via ClassQuestion
- More than 10 times (5 points)
- 7 - 9 times (4 points)
- 4 - 6 times (3 points)
- 1 – 3 times (2 points)
- No record (1 points)

A2. Problem Sets (15%)

- There will be 3 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.

A3. Preview questions (5%)

- I will post 10 sets of preview questions.
- Each set will cover material that will be taught in the **following week**.
- A new set of questions will be posted every **Thursday**, and submissions will be due by **Sunday**.
- You are required to include a record of your **interactions with AI**, including the prompts you used and the AI-generated responses that contributed to your work.
- The assignment will be graded primarily based on the **effort demonstrated**, rather than solely on the correctness of your answers.
- I will only count your five highest scores toward your final grade.

A4. Midterm exam (30%)

- There will be ONE in-class midterm exam.
- Date of midterm exam: **Oct 14th, 2026**
- For students absent from the midterm exam with my prior approval, your weighting of the midterm exam will be shifted 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 prior approval will result in a ZERO score.

A5. 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: 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. 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 for the make-up exam. Students who request 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%
Preview Questions	5%
Midterm Exam	30%
Final Exam	45%
Participation	5%

- 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. CILO1	A1,A2,A3
2. CILO2	A1,A2,A3
3. CILO3	A1,A2,A3
4. CILO4	A1,A2,A3

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 techniques taught 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 techniques taught 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 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

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