

ECON2113 Microeconomics (Fall 2021) L8

Venue: LSK1034
Tutorial: LSK1014

Mon 15:00-16:20, Fri 10:30-11:50
Wed 13:30-14:20

Instructor: Xu Zhang
Office: LSK 6016C

Email: xuzhang@ust.hk
Office hours: By Appointment

TA: Astor Fok

Email: ecastor@ust.hk

Course Description:

Microeconomics studies markets based on decisions made by individual actors in an economy such as consumers, firms and government, facing scarcity of resources. In this course, students will learn the fundamental concepts and basic tools in microeconomic analysis to understand how markets allocate resources into most valued uses. Students will see how economics provides a powerful way of thinking that can help us understand human behavior and social phenomena.

Required Textbook:

M. Parkin: *Microeconomics*, 13th ed., Pearson International, 2019.

You can purchase the ebook here:

https://w5.ab.ust.hk/cgi-bin/std CGI.SH/WService=broker_ba_p/prg/ba_stdt_main.r

Course Intended Learning Outcomes (Course ILOs):

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

1. Understand theories on markets, including the market price determination, the efficiency and fairness of market system, the conditions under which markets can perform well, and how the market will change in responding to the changing environment (SILO #1, 4).
2. Understand the framework to address the role of government: when and in which direction the government should intervene the markets, also how to evaluate the impact of relevant government's policies on markets (SILO #1, 4).
3. Understand consumers' optimal decision making (SILO #1, 4).
4. Understand firms' optimal decision making under different market structures (SILO #1, 4).
5. Apply economic analysis to real-world problems (SILO #1, 2, 3, 4).

Business School Intended Learning Outcomes (SILO) are available at

<http://undergrad.bm.ust.hk/academics/academic-programs/learning-outcomes>

Teaching Approach:

This course is primarily delivered through lectures and tutorials.

Teaching and learning activities	Roles in the course	Course ILOs addressed
Lectures	Learn key concepts and models and their applications	1,2,3,4,5
Tutorials	Review basic math, discuss answers to homework questions and additional economic issues * Tutorial class will start from week 3.	1,2,3,4,5

Assessment Scheme:

Assessment Activities	Weighting	Course ILOs assessed
4-5 homework assignments	20%	1,2,3,4
One Midterm Exam (in-class) and One Final Exam with two schemes	80%	1,2,3,4

Homework assignments (20%):

- You will be given 4-5 homework assignments during the semester.
- You **MUST** submit your problem sets online via the CANVAS by 11:59pm on the due date.
- NO hard copies, faxes, or emails will be accepted.
- Any late submission will result in ZERO mark, regardless of the reason. So please plan ahead and avoid last-minute submission.
- You can discuss with your classmates as you wish, but you must each turn in your own solution.
- For each assignment, only selected questions will be graded.

Exams (80%, with two schemes):

- There will be ONE midterm exam and ONE final exam (TBA).
- Grading scheme: Max (30% Midterm + 50% Final, 35% Midterm + 45% Final).
- The midterm exam is scheduled on **Oct 15 (Friday) during lecture time**. Please make sure your availability.
- The final exam contains all the materials covered throughout the semester.

Absence from Midterm and Final Exams:

- Note that outside activities or more than one exam in a day are not acceptable excuses for missing an exam. (Please plan accordingly!)
- If for any reason you are unable to attend the midterm or final exam, you must seek approval of absence from me directly **BEFORE** the exam. Your request should be supported by valid documents, such as medical certificate issued

by a registered medical practitioner. Absence from an exam without prior approval of absence would result in ZERO score.

- For students who are absent from the midterm exam with prior approval, the midterm weight will be reallocated to the final exam which will make the final exam account for 80% of the final grade. In other words, there will be no make-up midterm exam.
- For students who are absent from the final exam with prior approval, a make-up exam will be arranged. 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 for a make-up exam to ensure their availability. The make-up arrangement can be in the form of 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 all the requirements as communicated by the instructor. Failing to meet any requirement may result in a ZERO score.

Other Organizational Matters:

1. Mode of teaching

The mode of teaching is mixed-mode lite for now, which may change as changes in the pandemic situation demand. Mixed-mode lite means that teaching prioritizes students in the classroom, but still allows students online to interact in some way. Online students can type questions in chat, which TA and I will check occasionally. Please turn on your video during the entire class if you attend online. If you don't turn on your video, I will treat it as a no-show.

2. Course website

Announcements, lecture slides, and supplementary materials (if any) will be updated onto the course website <http://canvas.ust.hk>.

3. Email Policy

Please send me an email before coming to my office hour. In the title of your email, put the following: [ECON2113-L8-YOURNAME].

4. Learning Environment

You are welcome to use laptops or other electronic devices for learning purposes. However, distractive behaviors, such as chatting or making phone calls, are not allowed in the class.

5. 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. Familiarize yourself to the university rules and the HKUST academic honor code by visiting following website: <http://ugadmin.ust.hk/integrity/student-1.html>.

Tentative Course Schedule:

Part I. Introduction

- Lecture 1. What is Economics (Chapter 1)
- Lecture 2. The Economic Problem (Chapter 2)

Part II. How Markets Work

- Lecture 3. Demand and Supply I (Chapter 3)
- Lecture 4. Demand and Supply II (Chapter 3)
- Lecture 5. Elasticity I (Chapter 4)
- Lecture 6. Elasticity II (Chapter 4)
- Lecture 7. Efficiency and Equity (Chapter 5)
- Lecture 8. Markets in Action (Chapter 6)
- Lecture 9. Global in Action (Chapter 7)

Midterm Review/Q&A

Midterm Exam

Part III. Households' Choices

- Lecture 10. Utility and Demand (Chapter 8)
- Lecture 11. Possibilities, Preferences, and Choices (Chapter 9)

Part IV. Firms and Markets

- Lecture 12. Output and Costs I (Chapter 11)
- Lecture 13. Output and Costs II (Chapter 11)

- Lecture 14. Perfect Competition I (Chapter 12)
- Lecture 15. Perfect Competition II (Chapter 12)
- Lecture 16. Monopoly (Chapter 13)
- Lecture 17. Monopolistic Competition (Chapter 14)
- Lecture 18. Oligopoly (Chapter 15)

Part V. Market Failure and Government

- Lecture 19. Public Choices and Public Goods (Chapter 16)
- Lecture 20. Externalities (Chapter 17)

Part VI. Additional topics (if time allows)

- Lecture 21. Economic Inequality (Chapter 19)
- Lecture 22. Uncertainty and Information (Chapter 20)

Final Review/Q&A

Final Exam