Introduction to Microeconomics (HM207)

Contact Hours: 3.5 hours per week

Lecture

Thursday: 9:30 -11:30 a.m.

Tutorial

Monday: 11:30 – 1:00 (Tutorial 1)
Monday : 2:30 – 4:00 (Tutorial 2)

Consultation Hours:
Thursday: 11:30 am – 12:30 pm

Start Date: 22 March 2012
End Date: 21 June 2012

Rationale

This subject introduces the key concepts in Microeconomics. It enables students to understand and explain economic events and their effects on goods, prices, firms and the nation. Students will have a firmer grasp of the concept of economic choice and what impact rational economic decisions have on the individual, firm, industry and national levels. It will allow them a basic set of economic concepts that they can use to analyze and discussions observed economic events.

Learning Outcomes:

Upon successful completion of this subject, learners should be able to:

(a) discuss economic issues methodically and accurately;
(b) explain how consumers and firms reach decisions in light of limitless wants but resource limits;
(c) analyze and examine market demand, supply and equilibrium for goods and services;
(d) determine price elasticity of goods and explain its relevance in economic terms;
(e) relate theories of utility and profit maximization to firm and individual decision making;
(g) differentiate characteristics and functions of the various market structures and evaluate its economic relevance.

Course Requirements

Learners are required to complete assigned reading, prepare for and attend all sessions, and prepare questions for discussion before attending tutorials. Participation in the class tutorial is essential. It is expected that everyone has completed the basic reading for the various topics. Students are expected to go beyond the classroom and undertake research to better understand the topics handled in this subject. In so doing, students are expected to give critical thought to the essential questions on the topic and share during the tutorial discussions.

To complete the course students are required to submit a written coursework, pass a written mid-term, and a final exam detailed below.

Mid-term Examination (20%)

The mid-term examination has an overall assessment weight of 20%. It will have three components. Part 1 will have objective questions (MCQ, T&F, or Fill-in the blanks) and would carry a weight of 20%. Part 2 will have short structural questions carrying a weight of 60%. Part 3 will be essay and carry a weight of 20%. The mid-term exam will cover the learning outcomes of the following topics:

(1) Introduction to Economics and Economic Concepts
(2) Demand and Supply
(3) Market Equilibrium and Price Mechanism
(4) Utility Analysis

Final Examination (50%)

The final exam will constitute 50% of the over-all assessment for this course. The final examination will also be divided into 3 parts; namely an objective section (20%), short structural section (60%) and an essay section (20%). The final exam will be based on all topics handled in the lecture and tutorials.

Coursework (30%)

OBJECTIVES OF TASK
The objective of this task is to assess your ability to:

- search for, summarise and paraphrase information
- use and acknowledge (reference) other authors' work
- identify an economic issue from a news article
- critically analyse an economic issue and apply microeconomic concept/s
- write an academic report

REQUIREMENT OF TASK

1. Select a news article either from print media or the internet that focuses on an economic concept/topic. Possible concepts include:

    1. taxes and consumer or producer surplus
    2. demand, supply, and equilibrium price of a particular product
    3. elasticity of demand and/or supply for a particular product
    4. perfect competition and imperfect competition, such as monopolies
    5. labor market, wages, and income inequality
    6. Economies of scale, firm survival and barriers to market entry

2. Prepare an essay report that analyzes and explains the issue using the economic concepts and theory learned in the class. Use at least one explained graph developed in the class and one example to illustrate and clarify the issue you choose from the news article. Support your explanations and discussions using at least five (5) academically accepted articles (journal articles, books, credible website source) that are properly cited and referenced in your report. The essay report must be between 1500-2000 words (this does not include cover page, table of contents, appendix and reference list).

    Your essay report should have at least the following parts:

    I. Cover page
    II. Table of Content (containing the main content and page number)
    III. Introduction
    This should introduce the following:
        - the economic concept or theory you are going to use
        - the specific issue/s in the article you chose
        - the purpose of your paper
        - A general idea of what would be discussed in the body of your essay

IV. Body of Essay Report
(please do not use this as the title of this part of your essay)

- This section should be sectioned logically with appropriate section titles used
- In the body of your report you should provide:
  - clear discussion and explanation of the economic concept you are using for the article you chose with proper literature referencing
  - A clear discussion and explanation of the specific issue/s in the newspaper article and how they relate to the economic concept with support from literature
  - Appropriate example(s) to make your points clear
  - Appropriate use of graph(s) to explain your points
  - logical suggestions and solutions to overcome the issue based on the understanding of the economic concept (if possible or needed)

V. Conclusion

- The conclusion should summarize and highlight your findings in the body of the essay and provide a satisfactory ending to your essay.

VI. Reference List

- Write proper in-text citations when using ideas or copying from literature sources (whether it be books, internet or journals).
- A complete reference list must be provided at the end of the report listing all literature sources used in the essay.
- The reference list and in-text citation must use the APA citation and referencing method.

VII. Appendix
A print or cut out of the original news article that was chosen for the essay must be attached in the appendix.

3. Marks will be allocated according to the attached assessment rubric (see Coursework Rubric).
4. The essay report is due on the 9th week of the semester.

Course Assessment

Midterm Examination	20%
Final Examination	50%
Course Work	30%
	100%

Content Outline

1. Introduction to Microeconomics
   - The rationale behind the study of Economics
   - Microeconomics versus Macroeconomics
   - Review of Using Graphical Analysis in Economics
   - The Basic Economic Problem: Scarcity, Choice and Opportunity
   - Production Limitations and the Production Possibility Curve
   - The Basic Economic Question and Economic Systems

2. Competitive Equilibrium Theory

   2.1 Demand and Supply
   - Demand and Demand Determinants
   - Demand analysis
   - Supply and Supply Determinants
   - Law of supply

   2.2 Market Equilibrium
   - Price mechanism
   - Demand and supply analysis
   - Competitive Equilibrium Price

3. Price Elasticity
   - Price elasticity of demand
   - Price elasticity of supply
   - Cross-Elasticity

4. Utility Analysis
   - Cardinal Utility Theory, Total Utility and Marginal Utility
   - Law of Diminishing Marginal Utility
   - Ordinal Utility Theory: Indifference Curve, Budget Line and Consumer Equilibrium
   - Substitution and Income Effect

5. Production theory
   - Factors of production
   - Production in the Short-run and Long-run
   - Law of Diminishing Returns
   - Return to Scale

6. Cost Theory
   - Concept of Cost
   - Economies of Scale

7. Market structures

   7.1 Perfect competition
   - Characteristics
   - Advantages & Disadvantages of perfect competition
   - Key terms and Concept
   - Perfect Competition and Efficiency

7.2 Monopoly
- Characteristics
- Advantages & Disadvantages of monopoly
- Barriers to entry

7.3 Oligopoly
- Characteristics
- Barriers to entry in Oligopoly

8. Distribution Theory
- Wages
- Interest
- Rent & Profit

Lecture and Tutorial Notes

You may download all notes and slides for the lecture and tutorial at:

http://hm207.trainer-edge.com

Recommended References

Manwik, G. (2010). Principles of Economics (5^{th} ed). South-Western Cengage.

Corsework Assessment Rubric

Criteria	Weight	Score					Max Score
		0	1	2	3	4	
Introduction	1.5	Introduction has no relevance to the economic concept nor the article.	Unclear introduction of the economic issue and the article.	Simple introduction of the economic issue with very little use of literature and missing on certain areas.	Good introduction that provides background for both the article and the economic concept. Some use of literature is observed.	Excellent introduction that provides background for both the article and the economic concept supported by literature citations and excellent preview of what will come in the rest of the essay.	6
Body of Essay	3	Poor and unorganized discussion with inappropriate sub-sectioning and section titles.	Shallow discussion of both the economic concept and the newspaper article showing poor understanding	Discusses either the concept or the article to but has poor links between the discussions. Sectioning and titles are acceptable	Good flow of discussion for the concept and the article with some links to literature. Appropriate sectioning and titles are	Logically and appropriately sectioned. Has clear discussion and explanation of the economic concept that links well with	12

			of the economic issues in the chosen article	but needs improvement.	provided.	a discussion of the newspaper article. Supports arguments with literature and logical suggestions and solutions if possible or needed.	
Choice of Article	**0.5**	News article chosen is inappropriate for the paper and does not come from a credible source.	News article chosen is too simple and does not highlight the issue well.	The news article chosen is appropriate but is not of very high quality.	The news article chosen is appropriate and gives a good overview of the economic issue. The article is from a credible source.	The news article chosen is of high quality and links well to the economic issue discussed. The article is from a recognized source.	2
Use of graphs and Examples	**1**	No graphs or examples are used.	Either only 1 graph or 1 example is provided with no clear explanation.	At least 1 graph and 1 example is provided with a shallow attempt at explaining them.	At least 1 graph and 1 example is provided with a clear explanation of these.	More than 1 example and 1 graph is used with clear explanation and links to the discussion are provided.	4
Conclusion	**1**	No conclusion is provided.	The conclusion is unclear and does not link to the highlights of the body.	The conclusion to a little extent summarizes the body of the report.	The conclusion highlights the issues and findings sufficiently but has a weak ending.	The conclusion highlights the issues and findings linked to the body of the report and closes the essay in an interesting manner.	4
Report Format	**0.5**	Does not have a cover page, TOC, Reference list and correct in-line citation.	Follows some of the format but not all.	Follows all of the format but has errors e.g. not using APA.	Follows all the formats with some minor mistakes.	Follows suggested format meticulously.	2
Total							**30**

Coursework Guidelines

- Font
  - Title: not more than 14
  - Text Body: 12
  - Use a consistent font and style combination
  - Use professional font styles (e.g. Times New Roman, Arial)
  - Bold and Italics, underline can be used to highlight certain point (e.g. key word, technical word, foreign word)
  - Fully or partially hand written papers will not be accepted
- Bullets
  - Bullets and numberings may be used but keep the style simple and consistent
- Paragraphs and sentences.
  - Use either indented or block system
  - Page Margin: Top and Bottom 1”, Left 2”, Right 1”
  - All paragraphs are spaced 1.5 lines
  - Make sentences short (no more than 20 words)
  - Present paragraphs in an interconnected and coherent manner
  - Separate ides into different paragraphs. Make them manageable. (Remember one paragraph 1 idea only)
  - Do not use the personal pronoun “I or we” (Always use third person)
  - Do not use abbreviations except when they are accepted in technical writing (examples: w/c, u, &, Oct.). Thus only the Latin abbreviations are accepted (example et al.).
  - Check grammar and spelling. Ensure that the language and grammar used is appropriate and of the highest standard.
  -
  - Cite any reference you quote directly or indirectly. **Any copying without proper citing would be considered as “Plagiarism”. A mark of zero will be given to each section that is plagiarized. The whole paper may receive a mark of zero if plagiarism is rampant.** Citing should use the APA system of referencing as shown below.

- Page Number
  - Each page must be properly labeled. Font size 10, either centered or right aligned at the bottom corner of the report. Hand written page numbers would not be accepted.
- Tables, Pictures and graphs
  - All tables, pictures and graphs should be labeled properly with the table number and table/Picture/Graph Title (e.g. Graph 1: The Supply and Demand Curve)
  - All tables that have been copied must be referenced by placing source at the bottom left corner of the diagram (e.g. Source: Hueber, 2000).
- Paper and Printing
  - Ensure that your work is presentable, neat and professional.
  - Remember your report is a reflection of who you are.
  - Use clean and new A4 (no coffee/food/other stains and not crumpled). Colored A4 papers are not allowed.

- Colored printing may be used but is not a requirement not unless a particular colored effect is necessary to bring across a message.
- Check and edit before printing.
- Print materials properly. Don’t do a rush job. Print work in advance.
- Recheck printed report for printing errors before binding and submitting. Pages that contain must be reprinted and not corrected using handwriting.

• <u>Binding</u>
  - All reports and essays must be properly bound before they are submitted.
  - Check reports for arrangement and correct page numbering before binding.
  - All reports are to be submitted ring bound with a sturdy front and back outer cover.

• Title Page. Use the standard cover page prescribed by the college.