What this Course is About

Microeconomics examines how consumers and firms make decisions and how they interact with each other in markets. Topics covered include supply and demand, consumer and firm behaviour, price determination and the operation of markets, situations of market failure, and the impact and role of government on the economy. A more detailed list of topics is provided on the last page of this outline.

Learning Outcomes and General Information

This course aims to provide a solid understanding of basic microeconomic theory and the ability to apply those tools and ideas. Training in economic analysis will be provided by weekly tutorials that go over sets of problems that cover material discussed in the previous week of lectures.

Attendance at lectures is expected. Students are responsible for all material and announcements that they miss due to absence. Lectures will be held during all 13 teachings weeks of the semester. Tutorial attendance is mandatory.

Tutorials will meet weekly beginning in Week 2. Tutorial enrolment will be organised by the Electronic Teaching Administrator (ETA) which can be accessed at http://eta.fec.anu.edu.au. Instructions for using ETA may be found on the Wattle page for this course.

Starting approximately at 10am on Wed, 17 February, and ending not beyond Week 2 of the semester, ETA tutorial enrolment for this course will be open. After that period, tutorial changes will only be considered under exceptional circumstances and must be approved by the Course Administrator, Karissa Carkeet. Students must attend the tutorial section that they are enrolled in.
How to Learn the Material

To learn the material, it is necessary but not sufficient to attend lectures regularly and do the assigned readings. Readings will be announced in advance and a quick read of those pages before the lecture will have a high payoff. Use the lectures as a guide to material which is important and/or may be difficult for the student to understand. Students do best if they attend lecture and take careful notes.

As indicated earlier, a crucial component of the course is the ability to analyze a situation using microeconomic tools. Learning-by-doing is the best way to achieve this ability which is fostered by doing the tutorial problems before attending the tutorial. Learning how to problem solve is not acquired by merely copying down the answers provided in the tutorial. Questions at the end of each chapter in the text provide additional practice in problem solving.

Asking questions in tutorial is encouraged. Tutors are also available in the course Help Desk. Hours and location of the Help Desk will be on Wattle by Week 2. Assistance is provided with the expectation that the student has attended lecture, kept up with the reading, and made a serious effort in answering the tutorial questions. Tutors can not make up for the lack of student effort.

Passing this course is not difficult if you keep up with the material, pay attention in lecture, prepare for and participate in tutorial, and seek assistance from your tutor or the Help Desk in a timely fashion.

Who to Contact and How

Questions related to the teaching material should be directed to your tutor during tutorial or to any tutor at the Help Desk. The lecturer also welcomes questions during (time-permitting) or after lecture.

Questions about tutorial allocations should be directed by email to the Course Administrator using enquiries.rse@anu.edu.au. For other administrative matters, please speak to your tutor during/after tutorials in the first instance and by email to the Head Tutor in the second instance using micro1.anu@gmail.com. Please use only your ANU student number email address to send and receive emails.

Email should only be used to contact staff about administrative matters and not for instructional purposes. Staff do not respond to emailed questions about teaching material. Due to the very large course enrolment and limited staffing, please allow a few days to receive a response.

While phone contact details have been provided, we greatly prefer for contact to be done through the course email address micro1.anu@gmail.com. This email will be checked and responded to regularly.

Assessment

Your course mark will be based on three components:

(1) Tutorial Quizzes – 15% of course mark

Seven times in tutorial during Teaching Weeks 4 – 13, your tutor will administer a brief, surprise quiz with a question linked to lectures and readings of the preceding week and relatedly, to the tutorial questions of that week. They will be graded as Excellent (Ex, 3% of course mark), Satisfactory (S, 2% of course mark), Unsatisfactory (U, 1%), or No Credit (NC, 0%). The best five of the seven quiz marks will count. No makeup quizzes will be scheduled. Students must take the quizzes in their enrolled tutorial.
(2) **Mid-Semester Exam** – 25% of course mark

The mid-semester exam is compulsory. Tentatively, the exam will be in Teaching Week 7 but the exact date and time will be decided on by the ANU Examinations Section. There will be no special examination for this exam. Instead for students who would normally meet the requirements for a special exam (e.g., medical certificate), the weighting will be moved to the final exam. Students who do not sit the mid-semester exam and do not meet the necessary requirements for a special exam will receive a mark of zero.

(3) **Final Exam** – 60% of course mark

The final exam will cover material presented throughout the semester and will be held during the university examination period.

The mid-semester and final exams assess a student’s understanding and mastery of the material. Further information about the exam structure will be provided in lecture before the exam date. The motivation behind the tutorial quizzes is to encourage students to keep up with the lectures and readings, work on the tutorial questions, and attend tutorial which are vital in succeeding in this course. The quiz questions may take the form of, for example, defining an important concept recently introduced in lecture or setting up or explaining an important aspect necessary to solve one of the tutorial questions.

Unlike some of the tutorial questions, answering the quiz questions should be straightforward even if one has not yet completely mastered the material. Most students who make a serious effort to keep up with the course and prepare for tutorial should be able to answer the quiz questions and can expect to achieve at least a Satisfactory grade for their answer.

Your “raw” course mark will be based on the raw marks for the above three assessment components appropriately weighted. The final course mark may differ from the raw course mark if scaling is necessary. Scaling may be up or down. Any scaling applied, however, will preserve the rank order of the raw mark. That is, if your raw course mark exceeds or equals that of another student’s, then your scaled course mark will be no less than the other student’s.

**Other Administrative Matters**

Announcements, tutorial assignments and any course hand outs may be found at the Wattle site for ECON1101. All students formally enrolled in this course or ECON7073 should have access to this site and should check it at least once a week, if not more frequently. One may enter Wattle via [https://wattle.anu.edu.au](https://wattle.anu.edu.au).

ANU has educational policies, procedures, and guidelines, which are designed to ensure that staff and students are aware of the University’s academic standards, and implement them. You can find the University’s education policies and an explanatory glossary at: [http://policies.anu.edu.au/](http://policies.anu.edu.au/).

Students are expected to be aware of the ANU [Academic Misconduct Rule 2015](http://policies.anu.edu.au/). Other key policies include:

- Student Assessment (Coursework)
- Student Surveys and Evaluations

**For ECON7073 Students**

ECON7073 students are required to complete all of the tasks and assessments in the ECON1101 course which will account for 85% of the final mark. A written assignment will account for the remainder of the mark. Details can be found in the ECON7073 course outline.
TENTATIVE COURSE OUTLINE

I. An Introduction to Economics (3 Lectures)
   A. Economic Methodology – Chapters 1 & 2 (2 Lectures)
   B. Scarcity, Choice, and Gains from Trade – Chapter 2 (1 Lecture)

II. Supply and Demand (12 Lectures)
   A. An Introduction to Supply and Demand – Chapters 3 & 4 (3 Lectures)
   B. Elasticity – Chapter 4 (1-2 Lectures)
   C. Consumer Behaviour and Demand – Chapter 5 (2-3 Lectures)
   D. Firm Behaviour and Supply – Chapter 6 (2 Lectures)
   E. Markets and Efficiency – Chapter 7, pp. 363-365 (3 Lectures)

III. Economics of the Firm (10 Lectures)
   A. Costs of Production – Chapter 8 (3 Lectures)
   B. Entry, Exit, and Industry Supply – Chapter 9 (1-2 Lectures)
   C. Monopoly – Chapter 10 (2-3 Lectures)
   D. Product Differentiation, Monopolistic Competition, and Oligopoly – Chapter 11 (3 Lectures)

IV. Factor Markets (2-3 Lectures)
   A. Labour Markets – Chapter 13 (1 Lecture)
   B. Physical Capital and Financial Markets – Chapter 16 (1-2 Lectures)

V. Taxes, Public Goods, and Externalities (4-5 Lectures)
   A. Taxes and Transfers – Chapter 14 (1-2 Lectures)
   B. Public Goods and Externalities – Chapter 15 (3 Lectures)

VI. International Trade (5 Lectures)
   A. Gains from International Trade – Reading TBA (2 Lectures)
   B. International Trade Policy – Reading TBA (3 Lectures)