ECON 2101
Microeconomics 2
Semester 1, 2016

Microeconomics 2 (P) (ECON2101) builds upon material introduced in Microeconomics 1. This course aims to provide a solid understanding of basic microeconomic theory and the ability to apply those tools and ideas. Models describing the economic behaviour of individual decision-makers and the outcomes of markets are developed and applied to examine the welfare of market participants. Questions addressed include: What influences consumer demand decisions and how? How do firms decide on how much to produce and how much inputs to use? How do prices function to coordinate economic activity? What is meant by economic efficiency? When do markets fail to achieve efficient outcomes? Training in economic analysis is achieved via weekly tutorials that go over problem sets linked to material presented in lecture. Overall, the course takes an analytical approach emphasising rigorous logical reasoning and economic problem solving.
<table>
<thead>
<tr>
<th>Mode of Delivery</th>
<th>On campus, lecture and tutorial based</th>
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<tbody>
<tr>
<td>Prerequisites</td>
<td>ECON1101</td>
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<tr>
<td>Course Convenor/Lecturer:</td>
<td>Dr Dana Hanna</td>
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<td>Email:</td>
<td><a href="mailto:Dana.Hanna@anu.edu.au">Dana.Hanna@anu.edu.au</a></td>
</tr>
<tr>
<td>Office hours for student</td>
<td>TBA</td>
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<tr>
<td>consultation:</td>
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<tr>
<td>Student administrator/s</td>
<td>Ms Karissa Carkeet</td>
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<td>Phone:</td>
<td>6125 0384</td>
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<td>Email:</td>
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### Requisites
To enrol in this course you must have completed ECON1101 (Microeconomics 1).

### COURSE OVERVIEW

#### Learning Outcomes

Upon successful completion of the requirements for this course, students should be able to:

- describe the main microeconomic/neoclassical theory of consumer and producer behaviour
- apply economic concepts to solve for choices made by consumers and producers
- assess the economic efficiency of market outcomes for different market structures, in the presence of externalities, and/or when influenced by government intervention
- compare and contrast the information needed for markets or for the government to allocate resources efficiently

#### Course Textbook

The main textbook for this course is:


#### Wattle

Wattle is an ANU site where students can access supplementary course material including tutorial problem sets and lecture materials; announcements about lectures, and other administrative matters. Wattle can be accessed via the ANU student home page. Students are expected to check the Wattle site regularly (e.g. weekly). [https://wattle.anu.edu.au/](https://wattle.anu.edu.au/)
Lectures
This course will involve three one-hour lectures per teaching week. Lectures are:
- Mondays 11am-12pm in Manning Clarke Lecture Theatre 2
- Wednesdays 2pm-3pm in Copland Theatre and
- Fridays 1pm-2pm in the Copland Theatre.

Lecture slides/notes will be posted on Wattle after the lecture.

Tutorials
You should attend a one-hour tutorial each week starting in Week 2. Enrolment via ETA will open after the first lecture. To enrol, please follow https://eta.fec.anu.edu.au/ and the instructions therein.

Tutors provide guidance to individuals and discuss solutions to pre-assigned questions in tutorial classes. To get the most out of the tutorials, students are advised to attempt the questions before hand.

Solutions will not be provided online, if you wish to obtain solutions attendance of tutorials is recommended.

There will be six brief in-tutorial quizzes over the course of the semester worth a total of 10 percent of your final grade. Details are below in the ‘Assessment Tasks’ section.

The tutors will also be available for consultation each week at designated times (TBA).

Proposed Assessment (Summary): Assessment for this course will be confirmed after consultation with students at the first lecture of the semester. If there are any changes to the assessment, those changes will be publicised on Wattle.

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Value</th>
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<tbody>
<tr>
<td>1. In-class tutorial quizzes</td>
<td>10%</td>
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<tr>
<td>2. Mid-semester exam 1</td>
<td>25%</td>
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<tr>
<td>3. Mid-semester exam 2</td>
<td>25%</td>
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<tr>
<td>4. Final exam</td>
<td>40%</td>
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ASSESSMENT REQUIREMENTS

Assessment Tasks

Assessment Task 1: Random in-tutorial quizzes (6 in total)
Details of task:

There will be six brief in-tutorial quizzes over the course of the semester worth a total of 10 percent of your final grade. The best 5/6 marks will count. These quizzes will be in random weeks (beginning in week 3). Students must sit the quiz in their assigned tutorial only. The quiz will be linked to the lectures and readings of the preceding week and relatedly, to the tutorial questions that week.

Assessment Tasks 2 & 3: Mid-Semester Exams 1 & 2
Details of task:

Each of these exams will be worth 25 percent of your final grade. Tentatively they will occur during the lecture in weeks 7 & 10 of the semester. They will focus on the material covered in the preceding weeks and provide a means of continuous assessment.

Examination material or equipment
Simple calculators

Assessment Task 3: Final Exam
Details of task:

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

Examination material or equipment
Simple calculators

Both the mid-semester and the final exams are compulsory and non-redeemable. Details will be announced on Wattle, but students can also view their final examination timetable at: http://timetable.anu.edu.au/exams/

Workloads
Students taking this course are expected to commit at least 10 hours a week to completing the work.
This will include:

- Lectures – 3 hours
- Tutorials – 1 hour per week
- private study
Students will need to attempt all tutorial questions each week if they are to score well in this course. Simply attending the tutorials and copying answers will not prepare students for the exam questions that will be asked. The process of learning through thinking about the tutorial questions is more important than the answers themselves.

**Feedback**

**Staff Feedback**
Students will be given feedback in the following forms in this course:

- Verbal
- Brief written comments on tutorial quizzes and mid-semester exams
- Whole-of-class feedback on midsemester exams.

Students should feel free to approach the lecturer after class or in consultation hours to discuss any aspects of the course they are having problems with, or to discuss their performance on various assessment items.

**Student Feedback**
ANU is committed to the demonstration of educational excellence and regularly seeks feedback from students. One of the key formal ways students have to provide feedback is through Student Experience of Learning Support (SELS) surveys. The feedback given in these surveys is anonymous and provides the Colleges, University Education Committee and Academic Board with opportunities to recognise excellent teaching, and opportunities for improvement.

For more information on student surveys at ANU and reports on the feedback provided on ANU courses, go to:


**Policies**
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 have read the **Code of Practice for Student Academic Integrity** before the commencement of their course.

Other key policies include:

- Academic Progress
Communication
Attendance at all class meetings (lectures and tutorials) is expected. Students are responsible for all material and announcements that they miss due to absence. If students miss a class, they should liaise first with classmates who did attend. In anticipation that a class meeting might be missed, students are expected early on to obtain contact details of at least two classmates they wish to liaise with. All announcements will be made on Wattle and will be emailed to you via the Wattle News Forum.

Email should only be used to contact staff about administrative matters and not for instructional purposes. Do not expect staff to respond to emailed questions about course material. Students are encouraged to attend consultations times for this course. If students cannot attend consultation times then they need to make an appointment to see the lecturer outside of consultation times. Time-permitting, questions are also welcome during or after lecture and tutorials.

SUPPORT FOR STUDENTS
The University offers a number of support services for students. Information on these is available online from http://students.anu.edu.au/studentlife/

General Information for all Students
Academic Honesty and Plagiarism
The university has strict rules in relation to academic honesty- your work that submitted for assessment should be your own work. You should consult the following site for ANU policies with regard to codes of conducts and information how to avoid plagiarism. http://www.anu.edu.au/cabs/rules/DisciplineRules.pdf http://academichonesty.anu.edu.au/

ANU Student Support
Academic Skills and Learning Centre http://www.anu.edu.au/academicskills/
The Academic Skills and Learning Centre, in the Pauline Griffin Building, offers services to students regarding a range of academic issues including essay writing, note-taking, referencing, reading, examination preparation, and plagiarism.

ANU College offers the following introductory and extended programs:
* maths bridging courses; and
* English language support for students from non-English-speaking backgrounds.
Information Literacy Program http://ilp.anu.edu.au/index.html
Workshops are available to undergraduate and graduate students to develop skills in handling information and communication technologies.

**Policies, Procedures and Rules**
Information for Enrolled Students http://cbe.anu.edu.au/Current_Students/general_info/

Students are expected to be familiar with the ANU College of Business & Economics and university-wide policies and procedures on the following:
* Code of Practice for Student Academic Honesty
* Assessment Arrangements for Students from Language Backgrounds Other Than English
* Academic Progress Rules and Procedures
* Special examinations/consideration (These will be offered in the first week of semester 2, 2015)

**TENTATIVE COURSE SCHEDULE**
Please note this course schedule is a draft and subject to changes. Any changes will be announced in lectures and posted on Wattle.

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<tr>
<th>Topics</th>
<th>Chapter of Text Book</th>
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<tbody>
<tr>
<td>1. Consumer Behaviour</td>
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<tr>
<td>Consumer Utility and Choice</td>
<td>Chapter 2</td>
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<tr>
<td>Demand Curves</td>
<td>Chapter 3</td>
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<tr>
<td>Capital and Time</td>
<td>Chapter 14</td>
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<tr>
<td>Choice Under Uncertainty</td>
<td>Chapter 4</td>
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<tr>
<td>2. Firm Behaviour</td>
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<tr>
<td>Production</td>
<td>Chapter 6</td>
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<tr>
<td>Cost in the Short Run and Long Run</td>
<td>Chapter 7</td>
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<tr>
<td>Profit maximisation and Supply</td>
<td>Chapter 8</td>
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<tr>
<td>3. The Competitive Model</td>
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<td>The Price Taking Firm</td>
<td>Chapter 9</td>
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<tr>
<td>General Equilibrium and Welfare</td>
<td>Chapter 10</td>
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<tr>
<td><strong>4. Market Power</strong></td>
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<tr>
<td>Monopoly</td>
<td>Chapter 11</td>
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<tr>
<td>Oligopoly and Strategic Behaviour</td>
<td>Chapter 12</td>
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<tr>
<td>Input Markets</td>
<td>Chapter 13</td>
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<tr>
<td><strong>5. Market Failures</strong></td>
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<tr>
<td>Asymmetric Information</td>
<td>Chapter 15</td>
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<tr>
<td>Externalities and Public Goods</td>
<td>Chapter 16</td>
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