Microeconomics provides the principal modelling tools and frameworks that are used in all fields of economics. The corresponding techniques are built on models of decision-making by economic agents. We start with consumer and producer problem with certainty and full information. We then discuss decision making under uncertainty. Finally, we introduce game theory and study decision making with strategic interactions. Welfare results will be discussed in the course as well.

This course introduces the main techniques of microeconomics, at a level that lies between that of typical undergraduate courses, and that of Masters or PhD level courses. We use Varian’s textbook, but go beyond the textbook by treating the material more formally. Notes and extra readings will be provided.
<table>
<thead>
<tr>
<th>Mode of Delivery</th>
<th>On campus.</th>
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</thead>
<tbody>
<tr>
<td>Lecturer:</td>
<td>Tina Kao</td>
</tr>
<tr>
<td></td>
<td>Office: Room 2015, H. W. Arndt Building</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:tina.kao@anu.edu">tina.kao@anu.edu</a></td>
</tr>
<tr>
<td>Office hours for student consultation:</td>
<td>TBA</td>
</tr>
<tr>
<td>Student administrator/s</td>
<td>Ms Karissa Carkeet</td>
</tr>
<tr>
<td></td>
<td>Office: Room 1013, H. W. Arndt Building</td>
</tr>
<tr>
<td>Phone:</td>
<td>6125 0384</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:karissa.carkeet@anu.edu.au">karissa.carkeet@anu.edu.au</a></td>
</tr>
</tbody>
</table>
| Lecture time and location | Wednesdays 2 to 4 pm at CBE LT4  
|                  | Thursdays 10 to 11 am at CBE LT3  
|                  | One of the above hours will be used as the tutorial. |

**SEMESTER 1**

**2016**

**wattle.anu.edu.au**

**COURSE OVERVIEW**

**Learning Outcomes**

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

- Understand the main models of decision-making by economic agents, such as consumers or firms, in environments with and without uncertainty;
- Distinguish between market-based and strategic models of interacting economic agents, and use such models to analyse economic problems;
- Be able to analyse economic models using both intuitive graphical and formal theoretical methods.
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.

The final grade would be the higher of

1.

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Value</th>
<th>Tentative Date</th>
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</thead>
<tbody>
<tr>
<td>1. Midterm exam #1</td>
<td>25%</td>
<td>TBA</td>
</tr>
<tr>
<td>2. Midterm exam #2</td>
<td>25%</td>
<td>TBA</td>
</tr>
<tr>
<td>3. Final exam</td>
<td>50%</td>
<td>TBA (please refer to final exam timetable)</td>
</tr>
</tbody>
</table>

2. 60% on the final exam; higher mark of the two midterms 25%; lower mark of the two midterms 15%. (That is, the midterms are partially redeemable.)

Scaling may apply to the final course grades. If applicable, scaling can be upwards or downwards.

Feedback
Staff Feedback

- Weekly lectures: Lecture slides will be posted on Wattle prior to each lecture. Students should read the relevant chapter in the textbook prior to attending the lecture. Participation and discussions during the lectures are encouraged.
- Weekly tutorials: Students should work on the tutorial questions prior to attending the tutorials. Note that you should expect to see some questions which are not the same to the tutorial questions in the exams. Simply trying to memorise tutorial questions and answers would not give you high grade for this course. Thinking about how to answer the tutorial questions by yourself first is a good way to prepare for the exam. Brief tutorial answers will be provided after each week for your own study.
- Office hours: The lecturer holds regular office hours. Office hours are designed to assist your own study. Students should attempt the problems before coming for
consultation. Please keep up with the weekly progress. Office hours may get crowded towards exam period and time may have to be rationed.

- Mid semester exams: After each mid semester exam, we will go through the answers in tutorials and a brief answer guide will also be provided.

**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:

http://unistats.anu.edu.au/surveys/sekt/students/
and
http://unistats.anu.edu.au/surveys/sekt/results/learning/

**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/

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
- Assessment of Student Learning
- Assessment Review and Appeals
- Course Assessment: Consultation and Finalisation
- Student Feedback on Teaching and Learning
- Insert College policies on extensions, late submissions, etc as appropriate
COURSE SCHEDULE

Tentative only, detailed progress log will be noted on Wattle. Subjects may not fit exactly within each week’s lecture time. Lecture slides will be prepared according to topics.

1. Preferences, utilities and choices
2. Classical utility and demand theory
3. Firms and production
4. Partial and general equilibrium
5. Lotteries and choice under uncertainty
6. Strategic games and Nash equilibrium
7. Extensive games

Workloads
Students taking this course are expected to commit at least 9 hours a week to completing the work.
This will include:

- Lectures: 2 hours
- Tutorials: 1 hour
- private study: 6 hours

Prescribed Texts


This book is be a very good read for the course. However, the course is more technical than the textbook. Lecture slides, notes, and additional reading will be provided on Wattle.