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, in environments with and without uncertainty, and on the analysis of interacting economic agents, in various settings such as markets or strategic situations. 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. The results are presented and analysed using both intuitive graphical and formal mathematical methods. An important aim of the course is to show that the intuition gained from simple graphical models and the insight derived from formal theoretical analysis are complementary. The interplay between economic intuition and abstract results can lead to a better understanding of the respective models and the conclusions drawn from their analysis.

<table>
<thead>
<tr>
<th>Mode of Delivery</th>
<th>On campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prerequisites</td>
<td>ECON7073</td>
</tr>
<tr>
<td>Incompatible Courses</td>
<td>ECON4425</td>
</tr>
<tr>
<td>Course Convener:</td>
<td>Dr. Tina Kao</td>
</tr>
<tr>
<td></td>
<td>Email: <a href="mailto:tina.kao@anu.edu">tina.kao@anu.edu</a></td>
</tr>
<tr>
<td></td>
<td>Office hour: Tuesday 5 to 6 pm in room 2015, Arndt building. If you cannot make this time, please email for an appointment.</td>
</tr>
<tr>
<td>RSE Student Office</td>
<td>Nicole Millar</td>
</tr>
<tr>
<td>Contact</td>
<td>Phone: 02 6125 0384</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:enquiries.rse@anu.edu">enquiries.rse@anu.edu</a></td>
</tr>
<tr>
<td>RSE Students Webpage</td>
<td><a href="http://www.rse.anu.edu.au/students">www.rse.anu.edu.au/students</a></td>
</tr>
</tbody>
</table>

SEMESTER 1, 2018
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.

Assessment Summary

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Value</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Mid-semester exam</td>
<td>35% or 0%</td>
<td>Week 7 (TBC)</td>
</tr>
<tr>
<td>2. Short quizzes</td>
<td>5% or 0%</td>
<td>Weeks 4, 11 (2.5% each)</td>
</tr>
<tr>
<td>3. Final exam</td>
<td>60% or 65% or 95% or 100%</td>
<td>Final exam period</td>
</tr>
</tbody>
</table>

Both the mid-semester exam and short quizzes are optional and fully redeemable. For the mid-semester exam, no deferred exam is available and the weighting will be transferred to the final. The short quizzes will be delivered on Wattle.

Research-Led Teaching

Microeconomics forms the foundation for most research in Economics. In addition to classic theories, application in research today will be introduced wherever appropriate.

Feedback

Staff Feedback

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

- Mid-semester exams will be marked and answers provided.
- Short quizzes.
- Tutorial questions each week with answers provided afterwards. Students are also encouraged to participate in both lectures and tutorials.
- Students are encouraged to come for consultation and feedback during the office hours.
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/selt/students/ and http://unistats.anu.edu.au/surveys/selt/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 Academic Misconduct Rule before the commencement of their course.

Other key policies include:

- Student Assessment (Coursework)
- Student Surveys and Evaluations

Examination material or equipment

Non-programmable calculators are permitted in exams.

Recommended Resources

We do not follow any particular book. Material is drawn from several references. Lecture slides, notes, and additional reading will be provided on Wattle.


- Martin J. Osborne, An Introduction to Game Theory, Oxford University Press, 2003

  This book is the main reference for the game theory part of the course.


  Some sections of this book are used in consumer theory and producer theory.


Mainly used in decision under uncertainty.

**COURSE SCHEDULE (Tentative only.)**

<table>
<thead>
<tr>
<th>Week</th>
<th>Summary of Activities</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Consumer theory (preferences and choice)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Consumer theory (utility maximisation)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Consumer theory (Cost minimisation, substitution versus income effect)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Producer theory (Production, costs, profits)</td>
<td>Quiz 1</td>
</tr>
<tr>
<td>5</td>
<td>Producer theory (profit maximisation)</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Producer theory (cost minimisation)</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Exchange economy</td>
<td>Mid-semester exam</td>
</tr>
<tr>
<td>8</td>
<td>Exchange economy</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Decision under uncertainty</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Decision under uncertainty</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Game theory (Introduction, strategic games, mixed strategy)</td>
<td>Quiz 2</td>
</tr>
<tr>
<td>12</td>
<td>Game theory (Extensive form games)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Examination period</td>
<td></td>
</tr>
</tbody>
</table>

**Scaling**

Your final mark for the course will be based on the **raw** marks allocated for each of your assessment items. However, your final mark may not be the same number as produced by that formula, as marks may be **scaled**. Any scaling applied will preserve the rank order of raw marks (i.e. if your raw mark exceeds that of another student, then your scaled mark will exceed the scaled mark of that student), and may be either up or down.

**Privacy Notice**

The ANU has made a number of third party, online, databases available for students to use. Use of each online database is conditional on student end users first agreeing to the database licensor’s terms of service and/or privacy policy. Students should read these carefully.
In some cases student end users will be required to register an account with the database licensor and submit personal information, including their: first name; last name; ANU email address; and other information.

In cases where student end users are asked to submit ‘content’ to a database, such as an assignment or short answers, the database licensor may only use the student’s ‘content’ in accordance with the terms of service – including any (copyright) licence the student grants to the database licensor.

Any personal information or content a student submits may be stored by the licensor, potentially offshore, and will be used to process the database service in accordance with the licensors terms of service and/or privacy policy.

If any student chooses not to agree to the database licensor’s terms of service or privacy policy, the student will not be able to access and use the database. In these circumstances students should contact their lecturer to enquire about alternative arrangements that are available.

**Tutorial Seminar Registration**

Due to the size of the class, we currently have one tutorial session only. If the enrolment number were to increase to the point that multiple tutorial sessions are offered, the sign up instruction is as follows:

Tutorial signup for this course will be done via the Wattle website. Detailed information about signup times will be provided on Wattle or during your first lecture. When tutorials are available for enrolment, follow these steps:

1. Log on to Wattle, and go to the course site
2. Click on the link “Tutorial enrolment”
3. On the right of the screen, click on the tab “Become Member of…..” for the tutorial class you wish to enter
4. Confirm your choice

If you need to change your enrolment, you will be able to do so by clicking on the tab “Leave group…..” and then re-enrol in another group. You will not be able to enrol in groups that have reached their maximum number. Please note that enrolment in ISIS must be finalised for you to have access to Wattle.

**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/](http://students.anu.edu.au/studentlife/)

**OTHER INFORMATION**

Building Access Hours

Both CBE and HW ARNDT are:

**TEACHING PERIOD** = Mon-Fri 07.45 to 21.15 and SAT, SUN and Public Holidays is not accessible by students.

Both CBE and HW ARNDT are:
NON TEACHING PERIOD = Mon-Fri 08.00 to 18.00 and SAT, SUN and Public Holidays is not accessible by students.

RSE has a Frequently Asked Questions page where you can find relevant policies and information on a broad range of topics

https://www.rse.anu.edu.au/students/frequently-asked-questions/