

ECON2013 (L1) - Principles of Microeconomics

Spring 2020-21

Department of Economics
Hong Kong University of Science and Technology
27 January 2021

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| Lecture Time: | Tuesday and Thursday 3 to 4:20pm |
| Venue: | On-line Mode (ZOOM) |
| Course Website: | http://canvas.ust.hk |
| Instructor: | SIU, Kam Wing |
| Office | LSK 6054 |
| Email/Phone: | eckwsiu@ust.hk / (852) 2358 - 7617 |
| Office Hours: | By appointment |
| Teaching Assistant: | LAU Teresa |
| Office: | LSK 6066 |
| Email/Phone | Teresa: ectylau@ust.hk |
| Office Hours: | By appointment |

1 Course Description

As an introductory course, this course intends to cover fundamental concepts and tools used in microeconomic analysis. Economics provides a powerful way of thinking which helps you to understand many human and social phenomena. Real-world examples and cases will be used as much as possible to enhance your understanding.

2 Textbook

“Principle of Microeconomics, Ninth edition” written by N. Gregory Mankiw, published by South-Western, Cengage Learning.

I will add additional topics and materials outside the textbook. All additional and supplementary materials will be delivered in Lecture PPT or posted on CANVAS.

3 Learning Outcome – School Intended Learning Outcome (“SILO”)

- Explain the methodology of microeconomic analysis, including key assumptions used, how economics differs from the other social science disciplines, and the strengths and limitations of this analysis framework (SILO # 1 and 4).
- Describe the key concepts and tools of microeconomic analysis, such as gain from trade and specialization, how price is determined in the free market, how efficiency is measured, how the market structure affects the determination of market price and quantity transacted, and decision-making by buyers and producers under constraints (SILO # 1, 3 and 4).

- Examine the role of government and its interaction with the free market by evaluating government policies and their impact on economic activities and justifications for government intervention or participation, such as to maintain the public good (SILO # 1, 3 and 4).
- Apply economic tools and principles to identify, analyze and propose explanations for and solutions to real world issues (SILO # 1, 3 and 4).

For the details of SILO, please visit: <http://www.bm.ust.hk/sbmllearn/eng/thirdcat.php?sid=5&thirdid=3>

4 Course Format and Teaching Approach

This course is delivered through lectures and tutorials. Students attend two 80-minute lectures per week. Please attend all lectures and participate in discussions. Tutorials will be arranged when it is needed. Tutorial times and topics will be announced during lectures and on CANVAS.

| Teaching & Learning Activities | Roles | SILO Addressed |
|--------------------------------|--|----------------|
| Lectures | Explain key concepts and their applications; Cases and examples to build student's critical and analytical ability | 1, 2, 3, 4 |
| In-class Q&A and discussion | Encourage class participation, critical thinking and discussion | 1, 2, 3, 4 |
| Problem Sets | Enhance understanding of course materials and their application through practice | 1, 2, 3, 4 |

5 Course Website

All course materials and announcements will be posted on CANVAS: <http://canvas.ust.hk>. You should visit CANVAS frequently to receive the latest announcement, obtain class material and verify your grading record.

6 Office Hours and Appointments

Given different schedule of all of you, if you have any question on the course materials, please do not hesitate to contact me by email (eckwsiu@ust.hk) to setup an appointment.

7 Examinations and Grades

7.1 Problem sets:

Problem sets will be assigned for each chapter of the textbook. You have to turn in your own problem set answer on or before the deadline. Problem set submission would be done by

uploading your answer through CANVAS. NO late submission will be accepted. I strongly suggest that you form small study groups to work on the problems. Suggested solutions will be posted on CANVAS. If you have any questions about the problem sets, please seek help from me or TA.

$(n - 2)$ problem sets will be counted. That is if 11 problem sets are assigned in total, I will count the best 9 to your final grade.

7.2 Midterm Exams:

There will be TWO midterm exams. The midterm exam will cover lecture materials, problem sets and assigned reading (if any). Both midterm exams are based on multiple-choice questions.

- Midterm Exam (1): 16 March (Tuesday), 7:30 pm (Coverage: Ch 1, 2, 3, 4, 5)
- Midterm Exam (2): 22 April (Thursday), 7:30 pm (Coverage: Ch 6, 7, 8, 13, 14)

There will be NO make-up for the midterm exams. If you miss both midterm exams for any reason, you will receive ZERO for your midterm exams.

7.3 Final Exam:

The Final Exam is CUMULATIVE. It may contain multiple-choice, true & false questions and essay-type questions that require written explanation.

- Final Exam: 15 to 28 May 2020 (To be announced by ARO)

If you intend to travel at the end of the semester, please be careful to arrange your travel plans to avoid any schedule clash. Request for a change of final examination date will not be accommodated.

7.4 Overall Grading for the Course:

Your total score for the course will be computed by the following two schemes, whichever yields the higher score for you. You can see that it always makes sense to take both midterm exams.

Scheme (1): Total Course Score with TWO Midterms

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| Problem Sets | 10% |
| 1st midterm + 2nd midterm | 15% + 15% |
| Final Exam | 60% |

Scheme (2): Total Course Score with ONE Midterm

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|-------------------------------|-----|
| Problem Sets | 10% |
| The Midterm with higher score | 20% |
| Final | 70% |

With my approval, make-up will be arranged for students who are absent from the final exam. Your request of absence from the final exam must be supported by valid documents, such as an original copy of the medical certificate issued by a registered medical practitioner. Absence from the final exam without approval will result in a ZERO score.

For most cases, make-up exam will be scheduled the day after the official final exam date (if medical certificate indicates that you get one day sick leave). It is the responsibility of those who request make-up to ensure their availability. Please note that the instructor has the final discretion on all arrangements for the make-up exam. Students who request for the make-up final exam should comply with all the requirements as communicated by the instructor. Failing to meet any requirements may result in a ZERO score.

8 Academic Honesty and Integrity

Academic integrity and honesty are one of the key values of HKUST. Please read the information on academic integrity carefully. It is your responsibility to be familiarized with the Academic Honor Code and the content on the Academic Integrity website. The site address is: <http://www.ust.hk/provost/integrity/index.html>

The Code will be STRICTLY enforced. I will report any violation cases to the University without exception, and punishment will be imposed accordingly.

9 How to Get Help

TA and I are glad to answer questions and help with your study. If you have any worries or are under pressure about the course, I urge you in the strongest possible terms, to get help immediately. I would be very happy to talk with you and help you to find the appropriate solutions.

10 Classroom Etiquette

You are expected to be punctual for both lectures and tutorials, and I will start and end the lecture on time. You are welcome to bring your laptop or other devices to lectures for learning purposes. Respect the others in the lecture and do not disturb others with side conversation, Internet surfing, emails-checking, or instant-messaging during lecture time. Please visit the following site for general guidelines on proper classroom behavior: http://www.ust.hk/provost/conduct/good_learning_experience.pps

11 Topics to be Covered

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| Ch1 | Ten Principles of Economics |
| Ch2 | Thinking Like an Economist |
| Ch3 | Interdependence and the Gains from Trade |
| Ch4 | The Market Forces of Supply and Demand |
| Ch5 | Elasticity and Its Application |
| Ch7 | Consumers, Producers, and the Efficiency of Markets |
| Ch6 | Supply, Demand, and Government Policies |
| Ch8 | Application: The Costs of Taxation |
| Ch13 | The Costs of Production |
| Ch14 | Firms in Competitive Markets |
| Ch15 | Monopoly |
| Ch17 | Oligopoly |
| Ch10 | Externalities (*Optional, when time is available) |
| Ch11 | Public Goods and Common Resources (*Optional, when time is available) |