Course Outline 2019 ECON 201:
MICROECONOMICS (15 POINTS)
Semester 2 (1195)

Course prescription
Study of the allocation of scarce resources among competing end uses. Intermediate-level analysis of the economic behaviour of individual units, in particular consumers and firms. Although the focus is on perfectly competitive markets, attention is also given to other types of markets. Analysis also includes concepts of expected utility and uncertainty, and welfare economics.

Course advice
Prerequisites: ECON 101 or 152 or 180 points in Mathematics or Statistics with a GPA of 5 or higher and a B or higher in MATHS 150 or 153.

ECON 201 introduces students to the rigorous use of analytical theory and methods in economics. A sound understanding of the key concepts and results requires the development of a clear understanding of how these can be expressed in formal terms. Please also note that students should, prior to the beginning of lectures: (a) be able to interpret simple graphs; (b) be comfortable with elementary algebraic manipulation. ECON 201 is a prerequisite for most Stage III, Honours and Master's Economics courses.

Goals of the course
This is an intermediate level course designed to give students a solid understanding of economic intuition, theoretical constructs and analytical tools. The aim is to foster independent application of analytical tools and not passively absorb pre-digested cases. Fundamental conceptual foundations of microeconomics and a deeper understanding of their application is encouraged. The aim is to be analytical without being excessively mathematical. The course is concerned with microeconomic models of central importance for students who are: (1) intending to advance further with economics; (2) expecting to be involved in business and policy fields; and (3) interested in humanities and social science and ways of analysing social processes. The Graduate Profile capabilities this course is particularly oriented towards are critical thinking, solution seeking, communication and engagement, as well as disciplinary knowledge and practice.
Learning outcomes (LO)
By the end of the course, it is expected that students will be able to:

<table>
<thead>
<tr>
<th>#</th>
<th>Learning outcome</th>
<th>Graduate profile capability*</th>
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</table>
| LO1| Compare, evaluate, and illustrate the principal conceptual foundations of modern microeconomics | 1. Disciplinary knowledge and practice  
2. Critical thinking |
| LO2| Apply theoretical economic constructs to understand how consumers and producers make decisions | 3. Solution seeking |
| LO3| Analyse the properties of market equilibria under a range of market structures | 1. Disciplinary knowledge and practice  
2. Critical thinking |
| LO4| Examining the role of uncertainty in consumer choice and the effects of asymmetric information on market outcomes | 1. Disciplinary knowledge and practice  
3. Solution seeking |
| LO5| Investigate how markets affect the distribution of resources and consumer welfare | 6. Social and environmental responsibilities |
| LO6| Explain, via both individual and collaborative work, the nature of issues involving consumer choice, firm choice, and the operation of markets | 4b. Communication (Written)  
5a. Independence  
5b. Integrity |

* See the graduate profile this course belongs to at the end of this course outline.

Content outline
Lectures will closely follow the notes provided in the Coursebook and on Canvas. The following is a provisional outline of the content of the course. The exact timing of topic coverage may vary.

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Relevant learning resources/activities</th>
<th>Assessment due</th>
</tr>
</thead>
</table>
| Week 1 | Topic 1  
Introduction & Review | Lecture Notes ("Introduction & Review") in the Coursebook & Canvas | Quiz 1 (due end of week 2) |
| Week 2 | Topic 2  
Consumer Preferences and utility | Lecture Notes ("Consumer Preferences and Utility") in the Coursebook & Canvas Tutorial 1 | |
| Week 3 | Topic 3  
Consumer Choice and Demand | Lecture Notes ("Consumer Preferences and Utility"and "Consumer Choice and Demand") in the Coursebook & Canvas Tutorial 2 | |
| Week 4 | Topic 3  
Consumer Choice and Demand cont’d | Lecture Notes ("Consumer Choice and Demand") in the Coursebook & Canvas Tutorial 3 | Quiz 2 (due end of week 4) |
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<th>Week</th>
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<th>Relevant learning resources/activities</th>
<th>Assessment due</th>
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</table>
| Week 5 | Topic 4  
Technology, Costs, Profit and Supply | Lecture Notes ("Technology, Costs, Profit and Supply") in the Coursebook & Canvas Tutorial 4 | Test 1 (week 5) |
| Week 6 | Topic 5  
Competitive Equilibrium | Lecture Notes ("Competitive Equilibrium") in the Coursebook & Canvas Tutorial 5 | |
| Week 7 | Topic 6  
Monopoly: Review | Lecture Notes ("Monopoly: Review") in Coursebook & Canvas Tutorial 6 | Quiz 3 (due end of week 7) |
| Week 8 | Topic 7  
Game Theory and Oligopoly | Lecture Notes ("Game Theory and Oligopoly") in the Coursebook & Canvas Tutorial 7 | |
| Topic 9 | Topic 7 cont'd  
Game Theory and Oligopoly | Lecture Notes ("Game Theory and Oligopoly") in the Coursebook & Canvas Tutorial 8 | Test 2 (week 9) |
| Week 10 | Topic 8  
Uncertainty | Lecture Notes ("Uncertainty") in the Coursebook & Canvas Tutorial 9 | Quiz 4 (due end of week 10) |
| Week 11 | Topic 9  
Asymmetric Information, Auctions, Incentives | Lecture Notes ("Asymmetric Information, Incentives, Auctions" in the Coursebook and on Canvas Tutorial 10 | |
| Week 12 | Topic 10  
Some Recent Developments in Microeconomics | Lecture Notes ("Recent Developments in Microeconomics" in the Coursebook & Canvas Tutorial 11 | Quiz 5 (due end of week 12) |

**Learning and teaching**

The course is offered in semesters 1 and 2. There will be 3 one-hour lectures per week along with one one-hour small-group tutorial. Please consult SSO for exact days, times and location of lectures and tutorials.

The tutorials are optional but highly recommended. They will be devoted to reviewing concepts discussed in lectures in the preceding week, looking at examples, and solving problems. These are good preparation for tests and exams.

**Teaching staff**

Dr James Tremewan  
667 Owen G. Glenn Building  
james.tremewan@auckland.ac.nz
Learning resources
The lecture materials will be viewable in advance of lectures on Canvas, and will also
appear in a coursebook (available level 0, OGGB)
There is no required textbook for this course, but the following are examples of books
which provide good coverage of most of the material covered.

Assessment information

<table>
<thead>
<tr>
<th>Assessment task</th>
<th>Weight %</th>
<th>Group and/or individual</th>
<th>Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quizzes</td>
<td>10%</td>
<td>Individual</td>
<td>Online via Canvas</td>
</tr>
<tr>
<td></td>
<td>(2% each)</td>
<td>Individual</td>
<td></td>
</tr>
<tr>
<td>Test 1</td>
<td>15%</td>
<td>Individual</td>
<td>Exam conditions</td>
</tr>
<tr>
<td>Test 2</td>
<td>15%</td>
<td>Individual</td>
<td>Exam Conditions</td>
</tr>
<tr>
<td>Final Examination</td>
<td>60%</td>
<td>Individual</td>
<td>Exam Conditions</td>
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Pass requirements
Plussage does not apply.
The dates for the tests (provisionally scheduled for 5th and 9th weeks of the semester)
will be announced at the beginning of the semester. Information about final exam date
will be available via SSO.
Quizzes are on-line through Canvas. Each quiz consists of ten multiple choice questions.

Description of assessment tasks

<table>
<thead>
<tr>
<th>Assessment task</th>
<th>Learning outcome to be assessed</th>
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<tbody>
<tr>
<td>Quizzes 1-5. These online multiple choice are intended to reinforce the ideas</td>
<td></td>
</tr>
<tr>
<td>discussed in lectures and tutorials, and to provide additional background for</td>
<td>1-6</td>
</tr>
<tr>
<td>the tests and exam</td>
<td></td>
</tr>
<tr>
<td>Test 1 consists of written short answer questions similar in style to tutorial</td>
<td></td>
</tr>
<tr>
<td>questions</td>
<td>1-2</td>
</tr>
<tr>
<td>Test 2 consists of written short answer questions similar in style to tutorial</td>
<td></td>
</tr>
<tr>
<td>questions</td>
<td>3, 5</td>
</tr>
<tr>
<td>Final Examination consists of written short answer questions similar in style</td>
<td></td>
</tr>
<tr>
<td>to tutorial questions</td>
<td>3-6</td>
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Inclusive learning
Students are urged to discuss privately any impairment-related requirements face-to-
face and/or in written form with the courses convenor/lecturer and/or tutor.

Academic integrity
The University of Auckland will not tolerate cheating, or assisting others to cheat, and
views cheating in coursework as a serious academic offence. The work that a student
submits for grading must be the student’s own work, reflecting his or her learning. Where work from other sources is used, it must be properly acknowledged and referenced. This requirement also applies to sources on the worldwide web. A student’s assessed work may be reviewed against electronic source material using computerised detection to provide an electronic version of their work for computerised review.

**Student feedback**

Students will be requested to provide feedback to Class Representatives for Student Staff Consultative Committee Meetings.

Students will be requested to participate in the SET course and teacher evaluations.

**In the event of an unexpected disruption**

We undertake to maintain the continuity and standard of teaching and learning in all your courses throughout the year. If there are unexpected disruptions, the University has contingency plans to ensure that access to your course continues and your assessment is fair, and not compromised. Some adjustments may need to be made in emergencies. In the event of a disruption, the University and your course coordinators will make every effort to provide you with up to date information via Canvas and the University website.

**Graduate profile for BCom**

The following six themes represent the capabilities that the Business School seeks to foster in all of its graduates. The development of these capabilities does not come all at once, but rather is expected to build from year to year. Each course is not expected to contribute to all capabilities, but each course will have its own goals and learning outcomes that relate to the overall development of this profile.

**Bachelor of Commerce**

<table>
<thead>
<tr>
<th>Graduate Profile</th>
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<tr>
<td><strong>Disciplinary knowledge and practice</strong></td>
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<tr>
<td>Graduates will be able to demonstrate and apply a breadth of knowledge across disciplines, as well as specialist knowledge within one or more of them, while recognising the relevancy of this knowledge within a global context.</td>
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<tr>
<td><strong>Critical thinking</strong></td>
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<tr>
<td>Graduates will be able to analyse and critique theory and practice to develop well-reasoned arguments.</td>
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<td><strong>Solution seeking</strong></td>
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<tr>
<td>Graduates will be able to identify and frame problems using analytical skills to create and evaluate innovative solutions.</td>
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<tr>
<td><strong>Communication and engagement</strong></td>
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Graduate Profile

Graduates will be able to collaborate and communicate effectively in diverse contexts using multiple formats.

**Independence and integrity**
Graduates will be able to respond professionally and ethically, demonstrating a capacity for independent thought and learning.

**Social and environmental responsibility**
Graduates will recognise the significance of the principles underpinning the Treaty of Waitangi and consider their obligations in relation to sustainability, whilst displaying constructive approaches to diversity.

Note that if you are enrolled in a conjoint degree, you should also engage with the Graduate Profile for your other degree programme.