



Wollongong College Australia

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Wollongong College Australia
CRICOS 02723D
ABN 14105312329

Diploma in Business

(CRICOS course codes: 057231C, 057232B)

Subject Outline Summer 2009/10

WUCB111 Introduction to Microeconomics

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WCA-WUCB111-SO/4

Introduction to Microeconomics

Subject Description

This course is an introduction to microeconomics. As such, it assumes that students have no formal prior knowledge of microeconomics. It introduces students to economics, particularly the use of economic models and the price mechanism. On completion, students will have a sound understanding of demand and supply and of types of market structures. This establishes a sound foundation to economics for microeconomic and macroeconomic analysis and provides the basis of pricing policies and managing business or public resources.

Subject structure

Introduction to Microeconomics is delivered in a face-to-face format of 5 (five) hours per week. The subject consists of 1 x 3 hour lecture and 1 x 2 hour tutorial each week. The session is of 14 week's duration with face-to-face classes scheduled for the first 12 weeks and a study/examination period in Weeks 13 and 14.

In addition to scheduled class sessions, students are expected to spend additional time in individual study and research. As a general guideline students will need to spend at least 1 hour in private study (including completing homework and revision) for every two hours of scheduled class time.

Teachers will be available for a consultation time each week. Students will be notified of the time and location of the consultation session during Week 1 of the Session. It is recommended that students experiencing difficulty with this subject arrange to consult with the teacher as difficulties are encountered.

Some students may require tutorial support to improve language/literacy skills. Where this is recommended, students will be advised to use the College's self-access facilities in the Multimedia Centre in their own time. These facilities are located upstairs in building 30.

Introduction to Lectures

Weekly lectures will be delivered in the order described in the Weekly Outline. Your teacher will ensure you have access to copies of lecture notes following the delivery of each week's lecture.

Please note, however that reading lecture notes cannot and does not replace the learning experience of attending lectures. Reading lecture notes following the lecture, is however an important and useful method of reviewing the material discussed in lectures.

Introduction to Tutorials

Tutorials are a very important component of WUCB 111 – Introduction to Microeconomics. They are your opportunity to make sure you understand the material explained to you in lectures. You need to do some reading and preparation each week to ensure that you maximise your learning during tutorials.

You need to come to the tutorial having worked through the answers to set tutorial questions.

Learning resources

The text book will be the primary source of tutorial questions. There may also be additional questions from other sources. The Study Guide may be used for personal review and is excellent preparation for all assessment tasks including the final exam.

COMPULSORY - TEXTBOOK – Lectures and tutorials will be based on this text

Gans, J., King, S. and Mankiw, NG., *Principles of Economics*, Pacific Rim 4th edition, Cengage Learning 2009

OPTIONAL - STUDY GUIDE

Kemp, Harris, Gans, King & Mankiw., *Principles of Microeconomics, Study Guide*, 4th edition, Thomson, 2008

Learning Resources available at the University of Wollongong Bookshop or the web at <http://higher.cengage.com.au/category/671/>

Please note, this text is also prescribed for use in WUCB112: Macroeconomics for Business.

Subject Outcomes

Successful completion of Introduction to Microeconomics will enable students to:

- demonstrate a command of the basic economic terms, concepts and models;
- understand and explain the concepts of demand, supply and elasticity and analyse how markets determine price and quantity;
- apply the theory of production and costs to analyse and evaluate profit and loss of firms;
- demonstrate an understanding of different market structures: competitive, monopoly, oligopoly and monopolistic;
- analyse and diagnose theory relating to market equilibrium;
- analyse the major causes of market failure and apply the appropriate theory to examine ways of overcoming the inefficiency implicit in market failure; and
- apply economic theory to examine the impact of government intervention on market efficiency.

Subject outline in weeks

The following guide to lessons and activities may be adjusted to suit the needs of the group as long as subject outcomes and assessment criteria are met.

Week 1 What is Economics?

The Economic Problem

Legacy of Adam Smith

Text, Chapter 1

Economic Model – Circular Flow diagram

Text, Chapter 2

Opportunity Cost

Text, Chapter 3

Week 2 Market Forces of Demand and Supply

Law of Demand - curves and concepts

Law of Supply - curves and concepts

Text, Chapter 4

Equilibrium – curves and concepts

Week 3 Elasticity and Its Application

Elasticity of Demand

Elasticity of Supply

Text, Chapter 5

Applications of Elasticity

Week 4 Government Role in the Economy

Controls on Prices – floors and ceilings

Taxes and market outcomes

Text, Chapter 6

Week 5 Markets and Welfare and Taxation

Consumer surplus

Producer Surplus

Text, Chapter 7

Market Efficiency

Text, Chapter, 8

Applications of Taxation

Costs of Taxation

Week 6 Costs of Production

Total Revenue, total cost and profit

Economic profit v's accounting profit

Text, Chapter 13

Production function

Various measures of costs

Typical Cost curves

Week 7 Market Structure

Competitive Market Text, Chapter 14
Profit Maximisation
Typical Cost Curves

Week 8 Market Structures

Monopoly
Natural Monopolies Text, Chapter 15
Profit Maximisation Text, Chapter 17
Welfare cost of Monopolies
Price Discrimination
Public Policy

Week 9 Market Structures

Monopolistic Competition
Differentiated Products Text, Chapter 16
Advertising Text Chapter 17
Oligopolies Text, Chapter 18
Duopoly – Game Theory
Public Policy
Profit Maximisation

Week 10 Market Failure

Externalities
Positive and Negative Externalities Text, Chapter 10
Problem of Pollution
Coarse's Theorum

Week 11 Distribution of Income

Public Goods and Common Resources
Free Rider Problem Text, Chapter 11
Tragedy of the Commons

Week 12 Review of Lectures for Final Exam

Final Exam revision

Weeks 13 & 14 Final examination Period

Examination and study period. Please refer to examination timetable for the exact date, time and location of the final exam.

Assessment

Assessment and plagiarism policy

All written assessment tasks, with the exception of examinations and in-class tasks, must be word-processed unless students are otherwise advised.

Students must keep copies of all assessment tasks submitted for marking with the exception of class tests and examinations.

Plagiarism is a form of cheating or stealing that happens when a student uses someone else's work and presents it as his/her own without showing where it comes from. To avoid this, students are expected to submit their own original work for assessment and to accurately acknowledge all references and sources used in essays and assignments.

For information regarding assessment, plagiarism, acknowledging sources and examination rules, please refer to the Wollongong College Australia Student Handbook <http://www.wca.uow.edu.au/handbook>

Referencing Guide

Referencing is a standardized way of acknowledging sources of information and ideas used in academic work. The preferred referencing method for students in Introduction to Microeconomics is the HARVARD [Author –Date]. Please refer to the Wollongong College Australia Student Handbook for further details.

All written assessment tasks, with the exception of examinations and in-class tasks, must be word-processed unless students are otherwise advised.

Students must keep copies of all assessment tasks submitted for marking.

Assessment Schedule

Task	Due	Weighting	Length/Time
Class Test 1	Week 4	10%	50 minutes
Mid Session Test	Week 6	20%	1.5 hours
Written Task	Week 9	10%	Approx. 1500 words
Class Test 2	Week 10	10%	50 minutes
Final Examination	Week 13/14	40%	3 hours
Participation	Ongoing	10%	Weeks 1 - 12

Note: A final mark of 50% or higher is required to pass ALL Diploma subjects. A mark between 45% and 49% is NOT a pass.

Marking Guidelines

WCA best practice is that students can normally expect to have assessment tasks handed back within two weeks, and before the next assessment task is due. On occasion there may be exceptions to this time frame due to, for example, the size of the task, the size of the class, teacher illness or teacher leave.

Where there are several teachers marking a major assessment task, tasks will be handed back by all the teachers within the same week.

Assessment criteria and explanation of components

All assessment components are marked according to set marking criteria.

Class Test 1 **10%**

Class Test 1 will be held in Tutorials unless it is a large group. This test may include a combination of multiple choice, short answer and/ or other questions.

This test will be held in week 4 and will examine material covered in Lectures from Week 1 – 3.

The teacher will provide further details in Week 1 of the session.

Mid Session Test **20%**

The mid session test will be 1.5 hour in duration. The Mid Session Test will be testing material covered in Lectures from weeks 1-5. Normally it will be held in Week 6 Tutorial. The format of the exam will be a combination of multiple choice, short answer and/ or other questions. Further details will be provided by the teacher at the appropriate time.

Written Task **10%**

There is one major written task in this subject. The task will vary each session and may take the form of a Report, an essay, a research task, a Journal analysis or other written task.

Further details on this written task will be provided by the teacher in Week 1.

Students should be aware that there are serious penalties for plagiarism. Please refer to the College policy on the submission of assessed work in the Student Handbook.

Class Test 2

10%

Class Test 2 will be held in Tutorials unless it is a large group. This test may include a combination of multiple choice, short answer and/ or other questions.

This test will be held in week 10 and will examine material covered in Lectures from Week 6 – 9.

The teacher will provide further details in Week 1 of the session.

Final examination

40%

The final examination will be three hours in duration. It will be testing material covered in the entire course. The format will be a combination of a variety of testing questions and may include multiple choice questions, short answer questions and/or essays.

Further details will be provided by the teacher at an appropriate time.

The final examination will be scheduled in the formal College examination period Weeks 13 to 14.

Non-English speaking background students in the Diploma Programs may use foreign language dictionaries for their final exams. Diploma students who wish to use a dictionary must complete the Dictionary Use Application Form available at reception. This form and the dictionary must be submitted to reception **no later than 5pm Friday week 11** for approval.

Please note the following regulations regarding dictionary use:

- The only dictionaries permitted are language dictionaries, with word to word translations only.
- English-English dictionaries, Electronic dictionaries, Terminology dictionaries, or other are not permitted. The dictionary **must not** include English translations or explanations. Any dictionary that includes English explanations or phrases is not acceptable and will not be approved.

Tutorial Participation

10%

The Tutorial Participation mark will be determined by the tutor's assessment of:

1. student involvement in class discussion by asking questions; and
2. demonstrated preparation for tutorials by answering tutorial questions from prepared written answers