



**BEA200**

**Intermediate Microeconomics  
Semester 3, 2009**

**School of Economics and Finance  
Faculty of Business**

**Unit Outline**

**Mr Alexis Wadsley**

CRICOS Provider Code: 00586B

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## Contact Details

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### Lecturer

|                     |  |
|---------------------|--|
| Unit coordinator:   | Mr Alexis Wadsley  |
| Campus:             | Sandy Bay  |
| Email:              | <a href="mailto:alexis.wadsley@utas.edu.au">alexis.wadsley@utas.edu.au</a> |
| Phone:              | 03 6226 2821   |
| Fax:                | 03 6226 7587   |
| Room Number         | Commerce Building, Level 4, Room 408                                       |
| Consultation Hours: | Monday to Friday 11.00am to 12noon   |

### Unit Details

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|                  |                               |
|------------------|-------------------------------|
| Unit Title:      | Intermediate Microeconomics   |
| Unit Code:       | BEA200                        |
| School:          | Economics & Finance           |
| Faculty:         | Business                      |
| Campus & Mode:   | Hobart, MyLO                  |
| Unit Weight:     | 12.5%                         |
| Prerequisite(s): | BEA110 Economics for Business |
| Teaching Staff:  | Alexis Wadsley                |

## Unit Description

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Intermediate Microeconomics has two main purposes. First, it is a foundation unit in the study of economics. Starting from a number of fundamental assumptions, this unit develops the neoclassical theory of the optimising behaviour of consumers and firms and the process of interaction of these agents within various market structures. Intermediate microeconomics provides the essential building blocks for higher-level economics and finance units. Second, Intermediate Microeconomics shows how the economic theory developed can be directly applied to help solve the day-to-day decisions that face managers, financiers and economists such as dealing with risk and time, minimising cost, production, maximising profit through pricing and analysing markets and competition. It achieves this through application of the theory to real-world examples and solving problems of this nature. This unit is not highly mathematical but does involve some simple algebra, and relies extensively on the use of graphical analysis. An understanding of simple differentiation is also useful, but it will be taught as part of the unit and is not a prerequisite.

It is a compulsory unit for the Bachelor of Economics and combined Economics degrees. It is also compulsory for the Finance and Business Economics majors in the Bachelor of Business.

### ***Prior Knowledge/Skills***

Basic Algebra – manipulation of equations, solving sets of equations

Graphical Analysis – plotting functions, identifying slope and intercept

### ***Pre-requisites/Co-requisites Units***

BEA110 Business Economics

### ***Learning Outcomes***

On completion of this unit, students will be able to:

- Understand the basic theories of the consumer, including individual and market demand, and apply them to solve real world problems and clarify policy issues facing Australia and other countries.
- Understand the concepts of the economics of time and risk and apply these concepts to analyse the effects on savings and investment decision-making under uncertainty.
- Understand the concepts of cost-minimisation and profit maximisation and apply these to determine input and output levels.
- Understand the consequences and causes of market structure.
- Understand how to estimate and interpret demand, cost and production functions from empirical data.

### ***Generic Graduate Attributes***

This unit adds to the generic attributes of graduates in the following ways:

|                        |   |
|------------------------|---|
| Knowledge:             | See under heading 'Learning Outcomes' above.  |
| Communication Skills:  | Students will get to practice writing clear answers to problems.  |
| Problem Solving:       | Students will be set problems and guided in solving them.   |
| Global Perspective:    | Students should be able to apply microeconomic concepts learned to different situations around the world.   |
| Social Responsibility: | Appreciate and understand the impact of social change upon an individual's choices and resources. Acknowledge the social consequences of government policy. |

## Texts, References and Learning Resources

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### ***Prescribed Text(s)***

Don E. Waldman, *Microeconomics*, Pearson, 2004.

### ***Recommended Readings***

Steven E. Landsburg, *The Armchair Economist*, The Free Press, Paperback edition 1995.

### ***E- (electronic) resources***

#### **MyLO (My Learning Online)**

Unit materials are available via the UTAS online learning management system.

To access MyLO:

- From the UTAS webpage: [www.utas.edu.au](http://www.utas.edu.au) > click on Current Students > MyLO.
- This will take you to the Learning Online website where you can:
  - Access important information about setting up your home computer for MyLO
  - Login to MyLO using your UTAS username and email password.
  - Access self-help guides on how to use MyLO.

For technical support contact the Service Desk:

- In person: Morris Miller Library, Hobart or Launceston Campus Library
- Email: [servicedesk@utas.edu.au](mailto:servicedesk@utas.edu.au)
- Phone: 1818 (if you are off-campus 1300 304903)

For questions relating to unit materials, contact your lecturer.

### ***Email Correspondence***

Staff are not required to respond to emails in which students are offensive or threatening or in which they do not identify themselves by providing their names. When contacting staff by email you must observe the basic rules of email etiquette. For example you should use punctuation in the normal manner, check your spelling and limit the use of abbreviations. You should also use the title or form of address that you would use in verbal communication. You must clearly identify yourself in the body of the email and include the unit code, or name, and campus in the subject heading (eg BEA140 Hobart or Economics for Business Launceston).

## Teaching Arrangements

### Teaching Schedule

| Teaching Period   | Topic | Description                       |
|---|-------|-----------------------------------|
| 12 <sup>th</sup> January to 14 <sup>th</sup> January 2009                           | 1     | Consumer theory                   |
| 15 <sup>th</sup> January to 19 <sup>th</sup> January 2009                           | 2     | Time, information and uncertainty |
| 20 <sup>th</sup> January to 23 <sup>rd</sup> January 2009                           | 3     | Producer theory                   |
| <b>2<sup>nd</sup> February to 6<sup>th</sup> February 2009 - Examination Period</b> |       |                                   |
| <b>Results released: 18<sup>th</sup> February 2009</b>                              |       |                                   |

### Unit Schedule (Lectures/Workshops)

The lectures and workshops scheduled will be held in Commerce Building, Level 5, Room [SB.Comm513](#). The classes commence at 1.10pm and finish at 5.00pm.

| Lecture & Workshop          | Description   | Text, Reading, etc  |
|-----------------------------|---|---|
| Lect 1<br>(Mon 12 Jan, PM)  | Demand and supply; arbitrage and elasticities, The utility function,  | Waldman, Chapters 1 and 2. 3.1 to 3.2 Landsburg Chapters 1 to 4.      |
| Lect 2<br>(Tues 13 Jan, PM) | Indifference curves, the budget constraint and the consumer's optimisation problem, Comparative statics of the consumer problem: Engel curves and offer curves. | Waldman, Sections 3.3 to 4.3, inclusive                               |
| Lect 3<br>(Wed 14 Jan, PM)  | Applications of consumer theory; deriving individual and aggregate demand curves; labour supply   | Waldman, Appendices 3.1 and 4.1; Waldman, Chapter 5                   |
| Lect 4<br>(Thur 15 Jan, PM) | Microeconomics of Time and Intertemporal Choice   | Waldman, Section 4.4  |
| Lect 5<br>(Fri 16 Jan, PM)  | <b>Test 1 – starts 1.10pm sharp</b><br>Microeconomics of Risk   | Waldman: Chapter 6  |
| Lect 6<br>(Mon 19 Jan, PM)  | Investment: Time, Risk and Information  | Waldman: Chapter 18, Chapter 20                                       |
| Lect 7<br>(Tue 20 Jan, PM)  | Production, Production Functions, Productivity & Innovation   | Waldman: Chapter 7  |
| Lect 8<br>(Wed 21 Jan, PM)  | Costs, Cost Functions and Cost Minimisation   | Waldman: Chapter 7  |
| Lect 9<br>(Thur 22 Jan, PM) | Profit Maximisation and Market Structure  | Waldman: Ch 8, 10 (Perfect Competition) Ch 11, 16.1-16.4 (Monopolies) |
| Lect 10<br>(Fri 23 Jan, PM) | <b>Test 2 – starts 1.10pm sharp</b><br>REVIEW   |   |

Lect = Lecture. Workshops will immediately follow each lecture

### Office Hours:

Commerce Building, Level 4, Room 408, 11.00am to 12noon on teaching days.

## Assessment

### Assessment Summary

| Component                      | Weight/Value | Due date  |
|--------------------------------|--------------|---|
| Quiz 1 (Consumer theory)       | 5%           | Friday 16 <sup>th</sup> January 2009, 1.10pm    |
| Quiz 2 (Producer theory)       | 5%           | Friday 23 <sup>rd</sup> January 2009, 1.10pm    |
| Assignment 1 (Consumer theory) | 10%          | Wednesday 21 <sup>st</sup> January 2009, 1.10pm |
| Assignment 2 (Producer theory) | 10%          | Wednesday 28 <sup>th</sup> January 2009, 5.00pm |
| <i>Total Internal</i>          | 30%          |   |
| Examination                    | 70%          |   |

### Your Final Mark / How to Pass this Unit

Your final mark for this unit is determined by your internal assessment (30%) and your examination mark (70%). In order to pass this unit only your final total mark (i.e., the sum of internal plus final examination) must be 50% or higher. The final mark for the unit may be moderated.

### Assessment details

| Quiz 1 (Consumer theory)          |  |
|-----------------------------------|--|
| <b>Date</b>                       | Friday 16 <sup>th</sup> January 2009, 1.10pm |
| <b>Task length</b>                | 1 hour                                       |
| <b>Content</b>                    | Material in lectures 1 to 4                  |
| <b>Format</b>                     | Multiple Choice                              |
| <b>Materials</b>                  | Writing instruments                          |
| <b>Contribution to Final Mark</b> | 5%   |

| Quiz 2 (Producer theory)          |  |
|-----------------------------------|--|
| <b>Date</b>                       | Friday 23 <sup>rd</sup> January 2009, 1.10pm |
| <b>Task length</b>                | 1 hour                                       |
| <b>Content</b>                    | Material in lectures 5 to 8                  |
| <b>Format</b>                     | Multiple Choice                              |
| <b>Materials</b>                  | Writing instruments                          |
| <b>Contribution to Final Mark</b> | 5%   |

N.B. Students who cannot make the class time for the quiz need to contact teaching staff well before the day of the quiz to make other arrangements. You are required to fill in the form, "Request to sit a test at an alternative time". The blank form is available on the MyLO site for this unit, or alternatively you may download a copy from the School web page at: [www.utas.edu.au/ecofin/home/teaching.htm](http://www.utas.edu.au/ecofin/home/teaching.htm)

| <b>Assignment 1 (Consumer theory)</b> |   |
|---------------------------------------|---|
| <b>Date</b>                           | Wednesday 21 <sup>st</sup> January 2009, 1.10pm   |
| <b>Task length</b>                    | Students can work on their assignment for as many hours as they choose.                   |
| <b>Content</b>                        | Material in lectures 1 to 4   |
| <b>Format</b>                         | Short written answers will be required. Including some algebraic and numerical solutions. |
| <b>Contribution to Final Mark</b>     | 10%   |

| <b>Assignment 2 (Producer theory)</b> |   |
|---------------------------------------|---|
| <b>Date</b>                           | Wednesday 28 <sup>th</sup> January 2009, 5.00pm   |
| <b>Task length</b>                    | Students can work on their assignment for as many hours as they choose.                   |
| <b>Content</b>                        | Material in lectures 5 to 9   |
| <b>Format</b>                         | Short written answers will be required. Including some algebraic and numerical solutions. |
| <b>Contribution to Final Mark</b>     | 10%   |

N.B. Students who require an extension for an assignment need to contact teaching staff well before the due date to make other arrangements. The student is required to fill in the form, "Approval of an extension for an assignment". This blank form can be found on the MyLO site for this unit, or alternatively you can download a copy from the School web page at:  
[www.utas.edu.au/ecofin/home/teaching.htm](http://www.utas.edu.au/ecofin/home/teaching.htm)

## **Final Examination**

Examples of past exams are made available for you to use as part of your revision however written sample answers are not provided. Help with questions that you have made a genuine attempt to answer may be provided by your lecturer/tutor either on an individual basis or in a group revision session.

## **Submission of assignments**

All work must have the School of Economics Assignment Cover Sheet attached. The cover sheet will be available on the unit page on MyLO. Please remember that you are responsible for lodging your written work on or before the due date. We suggest that you keep a copy – photocopying is ideal. Even in the most 'perfect' of systems, items sometimes go astray. Lodge your assignments in the box marked BEA200 on Level 4, Foyer Area, Commerce Building. Work will be returned during classes. Uncollected assignments will be available from the Secretary's office, Room 407.

## **Requests for extensions**

Extensions will only be granted on the basis of consultation with your lecturer well before the due date. If you are ill, please provide a medical certificate so that this can be noted. Students are required to fill out the form "Approval of an extension for an assignment". The blank form can be found on the MyLO site for this unit or alternatively you can download a copy from the School web page at:  
[www.utas.edu.au/ecofin/home/teaching.htm](http://www.utas.edu.au/ecofin/home/teaching.htm)

If you are unable to attend the quizzes due to circumstances beyond your control, please inform your lecturer well before the test date. You are required to fill out the form "Request to sit a test at an alternative time". The blank form can be found on the MyLO site for this unit or alternatively you can download a copy from the School web page at: [www.utas.edu.au/ecofin/home/teaching.htm](http://www.utas.edu.au/ecofin/home/teaching.htm)

## ***Penalties***

Late submission of assignments and other forms of assessment will incur a penalty of:

|                           |   |              |
|---------------------------|---|--------------|
| 1 business day late       | = | 10% penalty  |
| 2 – 5 business days late  | = | 25% penalty  |
| More than 5 business days | = | 100% penalty |

## ***Academic referencing and Plagiarism***

Student writers need to back up their ideas by referring to scholarly literature, works of art and inventions that they have used. Failure to do so constitutes academic dishonesty (plagiarism), a matter considered by the University of Tasmania as a serious offence. It is important that students understand how to correctly refer to the work of others and maintain academic integrity. The appropriate referencing style for this unit is the Harvard system. For further information: <http://www.utas.edu.au/library/assist/gpoa/gpoa.html>

Please read the following statement on plagiarism. Should you require clarification please see your unit coordinator or lecturer.

### **Statement on Plagiarism and Academic Integrity**

Plagiarism is a form of cheating. It is taking and using someone else's thoughts, writings or inventions and representing them as your own, for example:

using an author's words without putting them in quotation marks and citing the source;

using an author's ideas without proper acknowledgment and citation; or

copying another student's work.

**If you have any doubts about how to refer to the work of others in your assignments, please consult your lecturer or tutor** for relevant referencing guidelines, and the academic integrity resources on the web at <http://www.utas.edu.au/tl/supporting/academicintegrity/index.html>.

The intentional copying of someone else's work as one's own is a serious offence punishable by penalties that may range from a fine or deduction/cancellation of marks and, in the most serious of cases, to exclusion from a unit, a course or the University. Details of penalties that can be imposed are available in the Ordinance of Student Discipline – Part 3 Academic Misconduct, see <http://www.utas.edu.au/universitycouncil/legislation/ord9.pdf>

**The University reserves the right to submit assignments to plagiarism detection software, and might then retain a copy of the assignment on its database for the purpose of future plagiarism checking.**

## ***Unit feedback***

The University of Tasmania, on a regular basis, evaluates its teaching and learning environment through the Student Evaluation of Teaching and Learning (SETL) system. The University values feedback from students and from time to time you will be asked to complete a SETL evaluation for a unit of study. For more information on SETL go to <http://student.admin.utas.edu.au/setl/students/index.htm>

## Mobile Phone Policy

1. Students should normally turn off their mobile phones while in lectures and workshops.
2. In case of special circumstances, such as sick children, student phones may only be left on in class if in "silent mode". Students who leave their phones on should sit near an aisle. If they receive a call they should quietly get up and leave the lecture before taking the call. This provision is meant to cater for special circumstances. Students' answering their mobile phone is disruptive and all these steps are designed to reduce the cost imposed on all.
3. In test situations mobile phones should be kept out of student hands and preferably in the student's bag or backpack – unless prior arrangement has been made with the lecturer.

## Occupational Health and Safety (OH&S)

The University is committed to providing a safe and secure teaching and learning environment. In addition to specific requirements of this unit you should refer to the University's policy at:

[http://www.admin.utas.edu.au/hr/ohs/pol\\_proc/ohs.pdf](http://www.admin.utas.edu.au/hr/ohs/pol_proc/ohs.pdf)

## Learning Expectations and Strategies

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### Expectations

#### University's Expectations of Students

The University is committed to high standards of professional conduct in all activities, and holds its commitment and responsibilities to its students as being of paramount importance. Likewise, it holds expectations about the responsibilities students have as they pursue their studies within the special environment the University offers. The University's Code of Conduct for Teaching and Learning states:

*Students are expected to participate actively and positively in the teaching/learning environment. They must attend classes when and as required, strive to maintain steady progress within the subject or unit framework, comply with workload expectations, and submit required work on time.*

#### Teaching Staff's Expectations of Students

You are expected to:

- i) Familiarise yourself with this document, the unit outline.
- ii) Familiarise yourself with MyLO for the electronic delivery of unit material and for various forms of communication.
- iii) To attend all classes. If you must miss a class make sure you read the lecture notes or workshop questions and solutions available on MyLO. Note that quizzes and tests are often held during class time [see assessment for more details].
- iv) Read and attempt the workshop questions [available on MyLO] before they are covered and actively participate in Workshop sessions (WS).
- v) To have read the text and attended/read lectures before contacting the teaching staff to explain a concept.
- vi) To check your marked assessment with the solution set [available on MyLO] to determine your errors.
- vii) To check your UTAS email account regularly for message from teaching staff via MyLO. It is also wise to check MyLO regularly for additional material for the unit.
- viii) To check your internals marks once available and contact the teaching staff if there are any errors.

#### Student's Expectations of Teaching Staff

Students can expect:

- i) To have all appropriate unit material available electronically via MyLO on a week by week basis.
- ii) The teaching staff to be available by pre-arranged appointment and in their nominated office hours to raise issues or discuss issues with the material or student performance in the unit.
- iii) That all relevant notices regarding the administration of this unit will be communicated to all students enrolled in the unit via email to your UTAS account.

## ***Learning Strategies***

If you need assistance in preparing for study please refer to your tutor or lecturer. For additional information refer to the Learning Development website: <http://www.utas.edu.au/learndev/>

If you will be using MyLO for the first time and would like some information on how to use MyLO refer to the following guide: <http://uconnect.utas.edu.au>

Some of the units you will study use video conferencing to deliver lectures and tutorials. To enable you to get the best out of a video conference please refer to the following guide.

<http://www.its.utas.edu.au/videoconf/vcstudentguide.pdf>

## ***Additional Assistance***

If you are experiencing difficulties with your studies or assignments, have personal or life planning issues, disability or illness which may affect your course of study, you should raise these with your lecturer.

Student Services staff are located in Hobart, Launceston and Burnie and provide a wide range of services to assist students, they include:

- Student Counsellor
- Disability Adviser
- Careers Adviser
- Student Employment Service

Or visit the Student Services website at : <http://student.admin.utas.edu.au/services/>

Should you require assistance in accessing the Library visit their website for more information at <http://www.utas.edu.au/library/>. Your contact Librarian for this unit is: Heather Mitchell (ext 2306)

International Services website provides information on the assistance available to international students, visit their site at : <http://www.international.utas.edu.au>

The Teaching and Learning website has a wide range of resources on study skills and learning strategies, visit their site at: <http://www.utas.edu.au/tl/students/>. For commencing students I suggest you enrol in the UniStart program.

## ***Help resolving concerns about this unit***

If you have any concerns or complaints with the administration and/or management in this unit or your BEc course of either a general or personal nature, then you might in the first instance discuss the matter with your lecturer. If you feel that you would rather discuss the issue with an independent person within the School of Economics and Finance, then contact: **Paul Blacklow, School of Economics and Finance, Room 406, email [Paul.Blacklow@utas.edu.au](mailto:Paul.Blacklow@utas.edu.au)**

If the matter is still unresolved and you would like to know who to contact or the procedures for resolving your concern refer to the following website: [http://www.admin.utas.edu.au/ac\\_serv/complaints\\_info.html](http://www.admin.utas.edu.au/ac_serv/complaints_info.html)

The Hobart based Tasmanian University Union (TUU) or the Launceston/Burnie based Student Association (SA) may also be able to assist.

## ***Bachelor of Economics Course Coordinator***

If you require assistance with your course please see:

Course coordinator: Dr Michael Brooks

Campus: Hobart, Commerce Building, Level 4, Room 401

Contact 03 6226 2286