



UNIVERSITY *of*
TASMANIA

Tasmanian School of Business & Economics (TSBE) (School)

College of Business and Economics (College)

BEA470

MICROECONOMICS

12.50 Credit points

Semester 1, 2019

Unit Outline

Hugh Sibly

CONTACT DETAILS

Unit coordinator

Unit coordinator:	Hugh Sibly
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Consultation hours:	By appointment

CONTENTS

WHAT IS THE UNIT ABOUT?	2
UNIT DESCRIPTION	2
INTENDED LEARNING OUTCOMES	2
GRADUATE QUALITY STATEMENT	3
ALTERATIONS TO THE UNIT AS A RESULT OF STUDENT FEEDBACK	3
PRIOR KNOWLEDGE &/OR SKILLS	3
HOW WILL I BE ASSESSED?	4
ASSESSMENT SCHEDULE	4
ASSESSMENT DETAILS	4
HOW YOUR FINAL RESULT IS DETERMINED	7
SUBMISSION OF ASSIGNMENTS	7
ACADEMIC REFERENCING	8
ACADEMIC MISCONDUCT	10
WHAT LEARNING OPPORTUNITIES ARE THERE?	11
MYLO	11
RESOURCES	11
ACTIVITIES	12
COMMUNICATION	13
CONCERNS AND COMPLAINTS	14
FURTHER INFORMATION AND ASSISTANCE	14
UNIT SCHEDULE	15
ACCREDITATION	16
AACSB ACCREDITATION	16

WHAT IS THE UNIT ABOUT?

Unit description

This unit covers advanced topics in microeconomic analysis including: formal representations of consumer theory, game theory, information economics and contract theory. The content will be covered through lectures, student presentations and solving problems in assignments and workshops.

Intended Learning Outcomes

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

1. establish, using advanced techniques, the primitives of a microeconomic system.
2. analyse, predict and contrast and clearly explain the behaviour of economic agents in different institutional environments.
3. analyse and evaluate the key relationships between market structure and equilibrium.

Graduate Quality Statement

Successful completion of this unit supports your development of course learning outcomes, which describe what a graduate of a course knows, understands and is able to do. Course learning outcomes are available from the Course Coordinator. Course learning outcomes are developed with reference to national discipline standards, Australian Qualifications Framework (AQF), any professional accreditation requirements and the University of Tasmania's Graduate Statement.

The University of Tasmania experience unlocks the potential of individuals. Our graduates are equipped and inspired to shape and respond to the opportunities and challenges of the future as accomplished communicators, highly regarded professionals and culturally competent citizens in local, national, and global society. University of Tasmania graduates acquire subject and multidisciplinary knowledge and skills, and develop critical and creative literacies and numeracies and skills of inquiry. They demonstrate the ability to apply this knowledge in changing circumstances. Our graduates recognise and critically evaluate issues of social responsibility, ethical conduct and sustainability, are entrepreneurial and creative, and are mindful of their own wellbeing and that of the community. Through respect for diversity and by working in collaborative ways, our graduates reflect the values of the University of Tasmania.

Alterations to the unit as a result of student feedback

Nil

Prior knowledge &/or skills

Students must have taken BEA300 Microeconomic Theory & Policy.

Students should be proficient in linear algebra, univariate and multivariate calculus. Please consult the technical manual on MyLO for further information.

HOW WILL I BE ASSESSED?

Assessment schedule

Assessment task	Date due	Percent weighting	Links to Intended Learning Outcomes
Assessment task 1: Test or quiz	Week 7	10	LO1, LO2, LO3
Assessment task 2: Examination	Week 12	40	LO1, LO2, LO3
Assessment task 3: Examination - take home	2pm 31 March	40	LO1, LO2, LO3
Assessment task 4: Presentation	Weekly, in workshops	10	LO1, LO2, LO3

Assessment details

Assessment Task 1: Test or quiz

Task Description	Test 1 - Students must answer two multiple-part questions.	
Criterion Number	Criterion Description	Measures ILO:
1	Construct, describe and manipulate microeconomic models developed in lectures.	LO1,
2	Manipulate and solve the microeconomic models developed in lectures.	LO2
3	Construct or design the components of strategic and extensive form games	LO1
4	Undertake comparative static exercises for economic models discussed in lectures	LO2
5	Find and Interpret the solution to an economic optimisation problem in different institutional environments.	LO2
6	Identify, describe, compare and evaluate various market structures, institutions and mechanisms using advanced techniques.	LO3
7	Examine and evaluate equilibrium agent behaviour in various economic institutions.	LO3
8	Apply the concept of economic efficiency and explain if solutions to economic agent's optimisation problems in various economic settings are efficient.	LO3

Task Length	40 min
Due by date	Week 7

Assessment Task 2: Examination

Task Description	Test 2 - Students must answer four multiple-part questions.	
Criterion Number	Criterion Description	Measures ILO:
1	Construct, describe and manipulate microeconomic models developed in lectures.	LO ₁ ,
2	Manipulate and solve the microeconomic models developed in lectures.	LO ₂
3	Construct or design the components of strategic and extensive form games	LO ₁
4	Undertake comparative static exercises for economic models discussed in lectures	LO ₂
5	Find and Interpret the solution to an economic optimisation problem in different institutional environments.	LO ₂
6	Identify, describe, compare and evaluate various market structures, institutions and mechanisms using advanced techniques.	LO ₃
7	Examine and evaluate equilibrium agent behaviour in various economic institutions.	LO ₃
8	Apply the concept of economic efficiency and explain if solutions to economic agent's optimisation problems in various economic settings are efficient.	LO ₃
Task Length	2 hours.	
Due by date	Week 12	

Assessment Task 3: Examination - take home

Task Description	Series of assignment questions	
Criterion Number	Criterion Description	Measures ILO:
1	Construct, describe and manipulate microeconomic models developed in lectures.	LO ₁ ,
2	Manipulate and solve the microeconomic models developed in lectures.	LO ₂
3	Construct or design the components of strategic and extensive form games	LO ₁
4	Undertake comparative static exercises for economic models discussed in lectures	LO ₂

5	Find and Interpret the solution to an economic optimisation problem in different institutional environments.	LO ₂
6	Identify, describe, compare and evaluate various market structures, institutions and mechanisms using advanced techniques.	LO ₃
7	Examine and evaluate equilibrium agent behaviour in various economic institutions.	LO ₃
8	Apply the concept of economic efficiency and explain if solutions to economic agent's optimisation problems in various economic settings are efficient.	LO ₃
Task Length	Distributed in week 11	
Due by date	2pm 31 March	

Assessment Task 4: Presentation

Task Description	Presentations - Each student will be required to provide written and verbal solutions once per week to assigned workshop questions within weeks 2-6 and 8-11 and week 13. Value: 1% per presentation.	
Criterion Number	Criterion Description	Measures ILO:
1	Construct, describe and manipulate microeconomic models developed in lectures.	LO ₁ ,
2	Manipulate and solve the microeconomic models developed in lectures.	LO ₂
3	Construct or design the components of strategic and extensive form games	LO ₁
4	Undertake comparative static exercises for economic models discussed in lectures	LO ₂
5	Find and Interpret the solution to an economic optimisation problem in different institutional environments.	LO ₂
6	Identify, describe, compare and evaluate various market structures, institutions and mechanisms using advanced techniques.	LO ₃
7	Examine and evaluate equilibrium agent behaviour in various economic institutions.	LO ₃
8	Apply the concept of economic efficiency and explain if solutions to economic agent's optimisation problems in various economic settings are efficient.	LO ₃
Task Length	Presentation is approximately 15 minutes each week.	
Due by date	Weekly in class	

How your final result is determined

To pass this unit, you need to demonstrate your attainment of each of the Intended Learning Outcomes.

Your grade will be determined in the following way:

Your overall mark in this unit will be determined by combining your results from each assessment task. These marks are combined to reflect the percentage weighting of each task. You need to achieve an overall score of at least 50% to successfully complete this unit. It is expected that you will seek help (from the unit coordinator in the first instance), well before the due date, if you are unclear about the requirements for an assessment task.

- PP (pass) at least 50% of the overall mark but less than 60%
- CR (credit) at least 60% of the overall mark but less than 70%
- DN (distinction) at least 70% of the overall mark but less than 80%
- HD (high distinction) at least 80% of the overall mark

All grades are provisional, until confirmation by the Assessment Board at the end of semester.

Submission of assignments

The act of submitting your assignment will be taken as certification that it is your own work.

Assignments must be submitted electronically through the relevant assignment tab in MyLO. You must ensure that your name, student ID, unit code, tutorial time and tutor's name (if applicable) are clearly marked on the first page. If this information is missing, the assignment will not be accepted and, therefore, will not be marked.

Where relevant, Unit Coordinators may also request you to submit a paper version of your assignment. You will be advised by the Unit Coordinator of the appropriate process relevant to your campus.

Please remember that you are responsible for lodging your assessment items on or before the due date and time. We suggest you keep a copy. Even in a perfect system, items sometimes go astray.

Requests for extensions

In this Policy:

1. (a) 'day' or 'days' includes all calendar days, including weekends and public holidays;
- (b) 'late' means after the due date and time; and

(c) 'assessment items' includes all internal non-examination based forms of assessment

2. This Policy applies to all students enrolled in TSBE Units at whatever Campus or geographical location.

3. Students are expected to submit assessment items on or before the due date and time specified in the relevant Unit Outline. The onus is on the student to prove the date and time of submission.

4. Students who have a medical condition or special circumstances may apply for an extension. Requests for extensions should, where possible, be made in writing to the Unit Coordinator on or before the due date. Students will need to provide independent supporting documentation to substantiate their claims.

Penalties

Late submission of assessment items will incur a penalty of 10% of the total marks possible for that piece of assessment for each day the assessment item is late unless an extension had been granted on or before the relevant due date.

Assessment items submitted more than five (5) days late will not be accepted.

Academic staff do NOT have the discretion to waive a late penalty, subject to clause 4 above.

Review of results and appeals

Review of Assessment is available to all students once the University has released the final result for a unit. If you are dissatisfied with your final result, you may apply to have it reviewed. Applications for a review of assessment are due within 10 working days of the release of the final result in the unit. When applying for a review, you must pay a \$50 fee.

If you wish to have a piece of internal assessment reviewed as part of the review process, please state this clearly on the application form referred to above and include that assessment item with your application.

Please read and follow the directions provided by the University at:

http://www.utas.edu.au/__data/assets/pdf_file/0018/314622/Review-of-Assessment.pdf

Academic referencing

Before starting your assignments, you are advised to familiarise yourself with the following electronic resources.

The first is the Harvard Referencing System Style Guide, which can be accessed from the UTAS library: <http://utas.libguides.com/content.php?pid=27520&sid=199808>. The Harvard style is the appropriate referencing style for this unit and the guide provides

information on presentation of assignments, including referencing styles. In your written work you will need to support your ideas by referring to scholarly literature, works of art and/or inventions. It is important that you understand how to correctly refer to the work of others and maintain academic integrity.

Failure to appropriately acknowledge the ideas of others constitutes academic dishonesty (plagiarism), a matter considered by the University of Tasmania as a serious offence.

The second is the Tasmanian School of Business and Economics' Writing Assignments: A Guide, which can be accessed at: <http://www.utas.edu.au/business-and-economics/student-resources>. This guide provides you with useful information about the structure and style of assignments in the TSBE.

In your written work you will need to support your ideas by referring to scholarly literature, works of art and/or inventions. It is important that you understand how to correctly refer to the work of others, and how to maintain academic integrity.

The [University library provides information on presentation of assignments, including referencing styles](#) and should be referred to when completing tasks in this unit.

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

Plagiarism

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, 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. You may also find the [Academic Honesty site on MyLO](#) of assistance.

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.

The University and any persons authorised by the University may submit your assessable works to a plagiarism checking service, to obtain a report on possible instances of plagiarism. Assessable works may also be included in a reference database. It is a condition of this arrangement that the original author's permission is required before a work within the database can be viewed.

For further information on this statement and general referencing guidelines, see the [Plagiarism and Academic Integrity](#) page on the University web site or the [Academic Honesty site on MyLO](#).

Academic misconduct

Academic misconduct includes cheating, plagiarism, allowing another student to copy work for an assignment or an examination, and any other conduct by which a student:

- a. seeks to gain, for themselves or for any other person, any academic advantage or advancement to which they or that other person are not entitled; or
- b. improperly disadvantages any other student.

Students engaging in any form of academic misconduct may be dealt with under the Ordinance of Student Discipline, and this can include imposition of penalties that range from a deduction/cancellation of marks to exclusion from a unit or the University. Details of penalties that can be imposed are available in [Ordinance 9: Student Discipline](#) – Part 3 Academic Misconduct.

WHAT LEARNING OPPORTUNITIES ARE THERE?

MyLO

MyLO is the online learning environment at the University of Tasmania. This is the system that will host the online learning materials and activities for this unit.

Getting help with MyLO

It is important that you are able to access and use MyLO as part of your study in this unit. To find out more about the features and functions of MyLO, and to practice using them, visit the [Getting Started in MyLO unit](#).

For access to information about MyLO and a range of step-by-step guides in pdf, word and video format, visit the [MyLO Student Support page](#) on the University website.

If something is not working as it should, [contact the Service](#)

[Desk \(Service.Desk@utas.edu.au, phone 6226 1818\)](mailto:Service.Desk@utas.edu.au), or [Request IT Help Online](#).

Resources

Required readings

You will need the following text [available from the Co-op Bookshop]:

Gravelle, H. and Rees, R. (2004) *Microeconomics*, 3rd Edition, Pearson

Recommended readings

Bolton, P. and M. Dewatripont (2005), *Contract Theory*, The MIT Press, Cambridge, Massachusetts.

Gibbons, R. (1992), *A Primer in Game Theory*, Harvester Wheatsheaf, New York.

Morris Miller: HB 144.G49 1992b.

Jehle, G. and P. Reny (2010), *Advanced Microeconomic Theory*, 3rd Edition, Pearson, Sydney.

Laffont, J-J. and D. Martimort (2002), *The Theory of Incentives: The Principal-Agent Model*, Princeton University Press, UK.

Mas-Colell, A. M.D. Whinston and J.R. Green (1995), *Microeconomic Theory*, Oxford University Press, Oxford. Morris Miller: HB 172.M6247 1995.

Nicholson, W. and Snyder, C.M (2008), *Microeconomic Theory: Basic Principles and Extensions*, 10th Edition, Thomson, South-Western, US. [N&S]Morris

Miller: HB 172 .N49 2008 Osborne M. J. and A. Rubinstein (1994), *A Course in Game Theory*, The MIT Press, Cambridge, Massachusetts. Available at

<http://theory.economics.utoronto.ca/books/>

Reading Lists

Reading Lists provide direct access to all material on unit reading lists in one place.

This includes eReadings and items in Reserve. You can access the Reading List for this

unit from the link in MyLO, or by going to [the Reading Lists page](#) on the University Library website.

Other Required Resources

In addition to the texts/software recommended above, you are also expected to be familiar with the

key academic journals in the discipline from which useful insights may be derived.

Activities

Learning expectations

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.

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.

Details of teaching arrangements

Lecture/Tutorial Mode

There will be 13 three-hour weekly class sessions during the semester commencing in Week 1 (Monday 25 February 2019). The classes will begin at 2:00pm finishing at 4:50pm. The lecture will be held in Room 327 of the Chemistry Building .

Lectures will cover the core examinable material in the unit. Most lecture materials will be available on MyLO prior to each lecture. About 35% of class time will be dedicated to solving exercises and practical programming.

Specific attendance/performance requirements

Students are required to attend all sessions in this unit. In particular, the presentation of workshop questions will be assessed.

Teaching and learning strategies

The University is committed to a high standard 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.

During the first four weeks of this semester, your participation and engagement in this unit will be monitored. If you do not demonstrate evidence of having engaged actively with this unit by Week 4 of semester, your enrolment may be cancelled or you may be withdrawn from the unit.

Work Health and Safety (WHS)

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 [Work Health and Safety website](#) and policy.

Communication

TO KEEP UP WITH ANNOUNCEMENTS REGARDING THIS UNIT

Check the MyLO Announcement tool at least once every two days. The unit Announcement will appear when you first enter our unit's MyLO site. Alternatively, click on the Announcement button (towards the top of the MyLO screen) at any time.

WHEN YOU HAVE A QUESTION

Other students may have the same question that you have. Please go to the Ask the Class Discussion forum on the unit's MyLO site. Check the posts that are already there – someone may have answered your question already. Otherwise, add your question as a new topic. Students are encouraged to support each other using this forum – if you can answer someone's question, please do. We will attempt to respond to questions within 48 business hours. If your question is related to a personal issue or your performance in the unit, please contact the appropriate teaching staff member by email instead.

WHEN YOU HAVE AN ISSUE THAT WILL IMPACT ON YOUR STUDIES OR THE SUBMISSION OF AN ASSESSMENT TASK

If you have a personal question related to your studies or your grades, please contact teaching staff by email.

For general questions about the unit, please add them to the Ask the Class Discussion forum on the unit's MyLO site. This way, other students can also benefit from the answers.

Concerns and complaints

The University is committed to providing an environment in which any concerns and complaints will be treated seriously, impartially and resolved as quickly as possible. We are also committed to ensuring that a student may lodge a complaint without fear of disadvantage. If you have a concern, information about who to contact for assistance is available on the [‘How to resolve a student complaint’ page](#).

Further information and 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 are advised to raise these with the unit coordinator in the first instance.

There is a range of University-wide support services available to you including [Student Learning Support](#), [Student Advisers](#), [Disability Services](#), and more which can be found on the [Student Support and Development](#) page of the University website.

Should you require assistance in accessing the [Library, visit their website](#) for more information.

Unit schedule

Topic #	Topic	Readings
1	Overview of mathematical methods	Appendix*
2	Development of demand systems	Chapter 2*
3	Advanced game theory	Chapter 15*
4	Oligopoly, including product differentiation.	Chapter 6, 9, 16*
5	Moral Hazard and Adverse selection	Chapter 20*
6	Interpreting experimental findings: Behavioural economic theory	To be announced

* All Chapters refer to Gravelle and Rees 2004. Additional readings may be assigned

Note: Some of the above topics may not be able to be covered due to time constraints. If there is any variation in the above schedule students will be provided with a revised schedule in or before the last lecture in the unit

ACCREDITATION

AACSB Accreditation

The Tasmanian School of Business and Economics (TSBE) is currently in the process of applying for business accreditation with the Association to Advance Collegiate Schools of Business (AACSB) – the lead program for accrediting business schools globally. AACSB seeks to connect educators, students, and business to achieve a common goal – to create the next generation of business leaders.

By joining AACSB and going through the accreditation process, TSBE is joining a global alliance committed to improve the quality of business education around the world, and to share the latest innovations in business education. Gaining Business Accreditation with AACSB is a multi-year process involving TSBE demonstrating our performance against the 15 accreditation standards.

Once complete, TSBE will join a select community of accredited business schools, with only 7% of all business schools globally having completed the AACSB process. This will further enhance the reputation of TSBE, and further enhance the global recognition of your qualifications. To find out more about AACSB click [here](#).