ECON10004
Introductory Microeconomics

SUBJECT GUIDE

Semester 2, 2014

Prepared by
Nisvan Erkal

Department of Economics
Faculty of Economics and Commerce
Subject Guide Contents

A. Key Information........................................3
B. Subject details........................................3
C. Subject objectives.....................................5
D. Lecture Outline and Readings.....................6
E. Details on Assessment...............................8
F. About Tutorials.......................................9
G. Tutorial Enrolment Information................10
H. How to Study........................................10
I. Resources for Study.................................11
J. Subject Prize..........................................13
K. Plagiarism.............................................13
L. About Microeconomic Theory....................14

Appendices

1. Lecture outline and readings –
   Earlier textbook editions..........................17
2. Important notes on doing the assignments......19
3. Faculty Code of Conduct – Lectures.............22
A. KEY INFORMATION

Lecturer:
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Phone: 8344-3307
Email: n.erkal@unimelb.edu.au
Office hours: Friday 10-12

Tutorial coordinator:
Nahid Khan
Rm. 336 Business and Economics building (111 Barry street)
Phone: 8344-3621
Email: n.khan@unimelb.edu.au

Assessment Dates:
1. Tuesday, August 19, 12pm (midday) to Thursday, August 21, 12pm (midday) – Multiple choice exam (on-line).
2. Thursday, August 28, 2pm – Assignment 1.
3. Tuesday, October 7, 2pm – Assignment 2.

Web address:
http://www.lms.unimelb.edu.au

[To log in, use the same username and password that you use to access your University of Melbourne email account.]

B. SUBJECT DETAILS

Class times:

a) Lectures – 2 x 1 hour each week. Lecture times are: Tuesday and Thursday, 11am at Arts West – Fitzpatrick Theatre.

b) Tutorials – 1 x 1 hour each week (Timetable via ISIS – see section G of Subject Guide for details.) There will be no tutorials in Week 1.

Textbooks:

• Required -
Principles of Microeconomics – Joshua Gans, Stephen King, and Gregory Mankiw (GKM) [Any of the 5th or earlier editions can be used.]

Microeconomics: Case Studies and Applications – Jeff Borland [Either the 2nd or 1st edition can be used.]
Copies of these textbooks can be purchased from the bookstore. There are also some copies on reserve at the Giblin Eunson Library. Readings for each lecture from the current editions of the textbooks are listed in section D of the Subject Guide. Corresponding readings from previous editions of the textbooks are listed in Appendix 1 of the Subject Guide.

These texts are required for the subject. For most lectures, they are the only prescribed reading. At some points in the subject, we will move beyond the coverage of the GKM text. For these lectures, additional reading material will be provided online or as ‘Reading hand-out’ to be distributed in class.

- **Recommended** –
  The Undercover Economist – Tim Harford (330.90511 HARF).

[These books provide excellent non-technical introductions to many topics that we will study, and include plenty of useful examples. They should be thought of as an optional supplement to the texts. Reading them is a way to develop your understanding of microeconomics, and to see a range of applications of key concepts. Note that the material from these books will not be directly examined. Either one or both could be read at the start of semester as an introduction to the subject, or during the semester to help you review what we are studying.]

**Assessment:**

**Exercise 1:** Multiple choice exam (5%) – Online, to be completed between Tuesday, August 19 (midday) and Thursday, August 21 (midday).
**Exercise 2:** Assignment 1 (10%) – Due: Thursday, August 28 by 2pm.
**Exercise 3:** Assignment 2 (15%) – Due: Tuesday, October 7 by 2pm.
**Exercise 4:** Tutorial participation and attendance (10%).
**Exercise 5:** Final examination (60%) – Two hour examination.
C. SUBJECT OBJECTIVES

Students who complete this subject will be able to:

• Describe the main objectives of the study of economics - to seek to understand the operation of the economy, and to guide decision-making by individuals, businesses and government.

• Explain the nature and role of theory and models in economic analysis.

• Explain the concepts of demand, supply, and market equilibrium; and apply the model of demand and supply in a market to explain the determinants of prices and output of goods and services.

• Explain how market and social welfare outcomes are affected by changes in demand/supply and government policy, and explain how and in what circumstances intervention by government in the operation of the economy can improve efficiency and social welfare.

• Explain models of firm behaviour in choosing output, price, and how to produce.

• Identify ‘strategic situations’ in economic activity, and be able to analyse and predict outcomes of strategic situations.

• Identify the main characteristics of different market types such as perfectly competitive and monopoly markets. Describe the nature of competitive behaviour in those markets, analyzing and predicting price and output outcomes in the different markets.

• Use examples to illustrate key concepts – such as the role of demand and supply factors in determining market outcomes, the effects of government intervention on market outcomes, the existence of strategic situations in the economy, and different types of markets.

• Apply economic models of individual behaviour and markets to describe the main features of actual markets, and to explain outcomes in actual markets, including prices and output levels, and business performance and profitability.

• Evaluate and critically analyse government policy, and make an informed contribution to public debate on economic issues.

• Proceed to the study of other economics and commerce subjects that have a knowledge of introductory microeconomics as a prerequisite.
## D. LECTURE OUTLINE AND READINGS

<table>
<thead>
<tr>
<th>Lecture</th>
<th>Date</th>
<th>Topic</th>
<th>Reading 1</th>
<th>Reading 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>A. Introduction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>July 29</td>
<td>Subject overview</td>
<td>20-35 (39-49)</td>
<td>x-xii</td>
</tr>
<tr>
<td>2</td>
<td>July 31</td>
<td>Introduction to key concepts in microeconomics</td>
<td></td>
<td>1.2, 1.5</td>
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<td></td>
<td></td>
<td>B. Perfectly competitive markets</td>
<td></td>
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<tr>
<td>3</td>
<td>August 5</td>
<td>Demand and supply</td>
<td>66-80</td>
<td>2.1</td>
</tr>
<tr>
<td>4</td>
<td>August 7</td>
<td>Market equilibrium and comparative statics</td>
<td>80-89</td>
<td>2.3, 2.4</td>
</tr>
<tr>
<td>5</td>
<td>August 12</td>
<td>What determines price and quantity? – 1. Elasticity and applications</td>
<td>94-115</td>
<td>2.5</td>
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<tr>
<td>7</td>
<td>August 19</td>
<td>Welfare in perfectly competitive markets</td>
<td>142-60; 165-75</td>
<td>2.6</td>
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<td>(Multiple choice exam starts midday)</td>
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<tr>
<td>8</td>
<td>August 21</td>
<td>International trade</td>
<td>182-204</td>
<td>3.2, 3.4</td>
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<td>(Midterm exam ends midday)</td>
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<tr>
<td>9</td>
<td>August 26</td>
<td>Market failure 1: Externalities</td>
<td>210-29</td>
<td>4.1, 4.4</td>
</tr>
<tr>
<td>10</td>
<td>August 28</td>
<td>Market failure 2: Public goods</td>
<td>233-41</td>
<td>4.3</td>
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<tr>
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<td>(Assignment 1 is due by 2pm)</td>
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<tr>
<td>11</td>
<td>September 2</td>
<td>Markets – A review</td>
<td>1.6, 2.12, 4.5</td>
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<td>D. The firm and managerial economics</td>
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<tr>
<td>12</td>
<td>September 4</td>
<td>Key decisions and key concepts</td>
<td>278-86</td>
<td>5.1</td>
</tr>
<tr>
<td>13</td>
<td>September 9</td>
<td>Measures of cost</td>
<td>286-96</td>
<td>5.2</td>
</tr>
<tr>
<td>14</td>
<td>September 11</td>
<td>Strategies to reduce costs/Introduction to revenue</td>
<td>354-55</td>
<td>5.3, 5.4, 5.5</td>
</tr>
<tr>
<td>15</td>
<td>September 16</td>
<td>The ‘basic’ price/quantity decision</td>
<td>301-07; 322-34</td>
<td>5.6</td>
</tr>
<tr>
<td>16</td>
<td>September 18</td>
<td>The effect of competition – Perfectly competitive markets</td>
<td>307-18</td>
<td>5.8</td>
</tr>
<tr>
<td>17</td>
<td>September 23</td>
<td>The effect of competition – Monopolistic competition and Monopoly/Government regulation</td>
<td>334-37; 345-46; 379-87; 399-403</td>
<td>5.10</td>
</tr>
<tr>
<td>18</td>
<td>September 25</td>
<td>What price to set?</td>
<td>338-45</td>
<td>5.9</td>
</tr>
</tbody>
</table>

**E. Game theory**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Reading hand-out</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>October 7</td>
<td>Introduction to game theory (Assignment 2 is due by 2pm)</td>
</tr>
<tr>
<td>20</td>
<td>October 9</td>
<td>Simultaneous games</td>
</tr>
<tr>
<td>21</td>
<td>October 14</td>
<td>Sequential games</td>
</tr>
<tr>
<td>22</td>
<td>October 16</td>
<td>Application to oligopoly</td>
</tr>
</tbody>
</table>

**F. Review**

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<table>
<thead>
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<th></th>
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<td>October 23</td>
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E. DETAILS ON ASSESSMENT

Exercise 1: Multiple choice exam (5%)
The multiple choice exam will be conducted online through the LMS subject webpage. There will be 10 multiple choice questions (each worth equal marks). You will have 30 minutes to complete the exam. Each student will receive a different set of questions randomly chosen from a much larger set of questions. Review multiple choice questions will be available prior to the test. There will also be two review sessions for the exam on Thursday, August 14, at 12pm and 1pm.

Exercise 2: Assignment 1 – 1000 words (10%)
In this assignment, you will be required to use economic concepts to answer questions on material that relates to the sections B and C of the subject. While doing the assignment, please read ‘Important notes on doing the assignments’ which is Appendix 2 of this Subject Guide.

Exercise 3: Assignment 2 – 1500 words (15%)
In this assignment you will be required to use economic concepts to answer questions on material that relates to sections C and D of the subject, and also complete a ‘case study’ exercise. While doing this assignment, please read ‘Important notes on doing the assignments’ which is Appendix 2 of this Subject Guide.

Exercise 4: Tutorial participation and attendance (10%)
At the end of semester your tutor will assign you a mark out of 10 for tutorial participation. Your grade for participation will depend on:
- Evidence of preparation for the tutorial;
- Frequency of participation in discussion;
- Relevance and logic of comments in discussion; and
- Evidence of active listening to other students’ contributions.

In addition, your tutorial attendance record will affect your mark in the following way. If you have attended at least 7 tutorials during the semester, your final mark for this exercise will be equal to the tutor’s original mark. If you have attended less than 7 tutorials during the semester, your final mark for this exercise will be equal to the tutor’s original mark minus 1 for each tutorial less than 7 that you attended.

(For example, suppose your tutor gives you 8/10, and that you attended 10 tutorials. Then your final mark is 8. Alternatively, suppose your tutor gives you 8/10, but you only attended 3 tutorials. Then your final mark will be 4. That is, you will lose 4 marks because you missed 4 tutorials under the threshold of 7, and each of these missed tutorials reduces the mark by 1.)

Note that to receive a mark for tutorial participation and attendance, you must have a valid tutorial enrolment.

Exercise 5: Final examination (60%)
The final exam is held at the end of semester and lasts for two hours. It will include a mix of multiple choice, short answer, and essay type questions. More details about the exact format of the 2014 exam will be provided later in the semester. There will
also be several exam review sessions held during the SWOT Vac (the week before the start of the university-wide examination period).

**Submitting Assignments 1 and 2**

Assignments 1 and 2 will be submitted in electronic format using the Assignment Tool:


You can access the Assignment Tool by clicking on ‘Assignment Tool’ in the menu from the LMS subject website. A guide to using the Assignment Tool can be downloaded from:


Please note that you are required to keep a copy of your assignment after it has been submitted, as it may be necessary for you to be able to provide a copy of your assignment at some later date.

**Meeting Deadlines**

It is very important that you submit Assignments 1 and 2 by the specified times on the due dates. Late assignments, where approval for late submission has not been given, will be penalised at the rate of 10% of the total mark per day, for up to 10 days, at which time a mark of zero will be given. Assignments that exceed word limits may also attract a marking penalty. For information on applying for an extension to the due date for Assignments 1 or 2 see:

http://fbe.unimelb.edu.au/csc/assistance/assignment_extension

**Special Consideration**

If you are significantly affected by illness or other serious circumstances during the semester, you may be eligible to apply for Special Consideration. The following website contains detailed information relating to who can apply for Special Consideration and the process for making an application:

http://fbe.unimelb.edu.au/csc/assistance/special_consideration

**F. ABOUT TUTORIALS**

**Pre-tutorial work**

Each week in tutorials a ‘blue sheet’ will be distributed. The blue sheet provides a guide to the subject matter of that week’s lectures and the next week’s tutorial. For example, the blue sheet distributed in week 1 covers material that is the subject of lectures in week 1 and will be reviewed in tutorials in week 2. The blue sheet lists the main concepts and readings, and includes review questions. It is an important part of learning in this subject that you should attempt these questions. Solutions to the questions will not be covered in tutorials. Instead, solutions are posted on the LMS subject site. This happens at the end of the week following when the blue sheet is distributed.
In-tutorial work
Each week in your tutorial a ‘pink sheet’ will be distributed. The pink sheet lists the
tasks that will be covered in that tutorial. Generally these tasks will be problem-type
questions. Your tutor will break you up into small groups where you will work out
solutions to the problems. At the end of the tutorial your tutor will bring everyone
back together and review solutions. Often this will involve asking the small groups to
take turns in presenting their suggested solutions.

Note that only solutions to the blue sheet will be posted on the LMS subject site. The
solutions to the pink sheet will be covered in the tutorials and will not be separately
posted on the LMS subject site.

G. TUTORIAL ENROLMENT INFORMATION

There will be weekly tutorials starting the second week of classes. Allocation to
tutorials is determined by the student system ISIS. You must enrol in a tutorial via
ISIS as soon as possible. You access ISIS through the Student Portal.

If you have any problems regarding tutorials, contact Ms. Nahid Khan (Room 336;
8344-3621; n.khan@unimelb.edu.au).

Note that tutors are not permitted to authorise a transfer from one tutorial to another,
not even from one of their own tutorials to another of their own tutorials. Tutors are
only permitted to allow you to attend their tutorial if you are not enrolled in that
tutorial when, because of illness, you have missed your allocated tutorial in a
particular week. In that case a tutor may permit you to ‘sit in’ at a later tutorial for that
week only and on no subsequent occasion during the semester. You should obtain an
attendance form from the tutor to pass on to your regular tutor to be entered into the
attendance record.

H. HOW TO STUDY

• Attend lectures. Lectures will give you a broad understanding of each topic and
where it fits into the subject. You should also read the relevant pages of the textbook
and the case study readings.

• Work outside class contact hours. Working outside class hours is essential for
performing to your full potential in the subject. It is recommended that 5-6 hours per
week (on average) should be spent on Introductory Microeconomics. This would
consist of about 1 hour per week reading the textbook, 2 hours per week doing the
pre-tutorial exercises, 2 hours per week (averaged over the semester) on the
assessment tasks, and ½ hour using the on-line revision tools.

• Learn how to apply the main concepts. To do well in this subject, it is not enough
to be able to remember definitions or to provide a summary of lectures. What is most
important is to be able to apply the concepts and approaches that you’ll learn. The
best way to develop this skill is through ‘active learning’ – for example, trying to
answer problems and questions, and discussing those answers with your fellow
students and with your tutor. Of course, you also need to know things like definitions
of concepts – but this should be the start rather than the end of your study for the subject.

• **Practice writing up answers and doing diagrams.** You should attempt to write up answers to each set of pre-tutorial and tutorial exercises, including drawing diagrams that assist with explanations of the answers. This is good practice for the exam.

• **Do the assessment exercises.** Ensure you attend exams, submit essays, and contribute to tutorials.

I. RESOURCES FOR STUDY

**Subject homepage:**
You can access the subject homepage at: [http://www.lms.unimelb.edu.au](http://www.lms.unimelb.edu.au). To access the homepage you need to use the same username and password that you use to access your University of Melbourne email account. It is important to check regularly the subject homepage for any new messages about the subject. Usually these messages would be placed under ‘Announcements’.

A range of information is available on the subject website:
• Subject Guide.
• Announcements about the subject.
• Lecture overheads, audio lectures, and supplementary notes.
• Tutorial material - solutions to ‘blue sheet’ questions; ‘pink’ and ‘blue’ sheets for previous weeks.
• Access to Assignment Tool for submitting Assignments 1 and 2.
• Access to multiple choice exam revision modules, and to the multiple choice assessment exercise.
• Old exam papers and solutions.
• Access to ‘On-line tutor’.
• Ideas for extra reading about economics, and links to economics-related websites.

**Audio lectures:**
An audio recording of each lecture will be available through the LMS subject site. Audio recordings of lectures allow you to revise lectures during the semester, or to review lectures in preparation for the end of semester exam.

**Missed hand-outs:**
Copies of missed handouts from tutorials (blue and pink sheets) will be available from the LMS subject site at the end of the week in which those sheets were distributed.

**Tutor consultation times:**
There are designated consultation times when you will be able to consult with a tutor on an individual basis about questions or problems you have with the subject material or about assessment exercises. A list of available consultation times and locations is on the LMS subject-page.

**Online tutor:**
The Online Tutor (OLT) provides the scope to ask questions to a tutor online. It can be accessed via the LMS subject site. One role of the OLT is for you to ask about
material covered in lectures or tutorials. The other role is for answering questions about the assessment exercises.

Subject material
The aim of the OLT is to help you understanding key concepts. It needs to be stressed that the OLT is not intended as a substitute for regular tutorials. It is therefore not a facility for providing solutions to tutorial questions. What the OLT is intended for is to assist you in being able to work out solutions to problems yourself. So if you have a query you need to describe what aspect you do not understand and show that you have made some attempt to resolve the problem yourself. You should also consult the relevant sections of your textbook before asking a question. Definitions, which are readily available in the textbook, will also not be provided by the OLT. It is however appropriate to consult the OLT if you have a question about an aspect of the definition you do not understand. The OLT will inform students directly if a question does not fall within the guidelines for the systems use. Those questions that show some evidence of thinking and work will be given the most thorough response. Each time you access the OLT, you will be prompted for keywords that relate to the question you want to ask, and the OLT system will direct you to previously asked questions that relate to these keywords. It is very important to check whether your question has been previously asked – since the OLT will not respond to questions that have already been asked, and are hence already available for viewing.

Assessment exercises
The OLT is available to help point you in the right direction as far as what is expected in an assessment exercise. Clearly, the OLT will not give answers to questions that relate too directly to a question set for the assessment.

OLT protocols
Answers will in general be provided by the OLT within a 24-hour period. On certain occasions, when the system is particularly busy or on weekends a slightly longer period may be taken. The period before the in-semester assessments and end of semester exam is always particularly busy, so it is always best to ask questions early at those times. Whilst there is no limit on the number of questions which can be asked of the OLT by an individual student, the service is, like all resources, limited. If too many questions are asked by a student, this would also suggest that that student has not spent sufficient time consulting the textbook and others sources for answers. It should be noted that whilst the use of humour is appropriate in relation to your dealings with the OLT, insulting and offensive communications will not be tolerated.

Pit-stop tutorials:
Additional pit-stop tutorial sessions will be scheduled prior to the in-semester assessments, and will be conducted prior to the final exam. The pit-stop tutorials provide an additional opportunity to consult face-to-face with a tutor about the assessment tasks.

Exam review sessions:
Solutions to old exam questions will be reviewed in ‘Exam Review’ sessions. There will be two sessions in week 3 before the multiple choice exam (on Thursday, August 14, at 12-1pm with a repeat at 1-2pm). There will also be review sessions for the final exam held during the SWOT Vac. Details of the exam questions to be covered will be
available from the ‘Exam Review’ folder in the ‘Assessment’ section of the LMS subject webpage.

Supplementary texts:
A range of alternative textbooks appropriate for this subject are available. There is no requirement to read any of these extra texts. However, if you are seeking to improve your understanding by reading alternative explanations of key concepts, or looking for extra examples, these texts may be useful.

Copies of the following texts have been placed on reserve at the Baillieu Library:


J. SUBJECT PRIZE

The student who receives the highest marks in Introductory Microeconomics is awarded the State Chamber of Commerce Exhibition (University Regulation R6.19).

K. PLAGIARISM

It is the policy of the Department of Economics that attention be drawn to the nature and serious consequences of plagiarism and collusion.

Plagiarism
Plagiarism is the act of representing as one’s own original work the creative works of another, without appropriate acknowledgement of the author or source. (Creative works may include published and unpublished written documents, interpretations, computer software, designs, music, sounds, images, photographs, and ideas or ideological frameworks gained through working with another person or in a group. These works may be in print and/or electronic media.)

Collusion
Collusion is the presentation by a student of an assignment as his or her own which is in fact the result in whole or in part of unauthorised collaboration with another person or persons. Collusion involves the cooperation of two or more students in plagiarism or other forms of academic misconduct. Both the student presenting the assignment and the student(s) willingly supplying unauthorised material (colluders) are considered participants in the act of academic misconduct. There is no objection to assignments being discussed in a preliminary way among students. What is not
permissible is anything in the nature of joint planning and execution of an assignment.

Where an allegation of academic misconduct involving either plagiarism or collusion is upheld, significant penalties such as deprivation of credit for a subject or component of assessment can be imposed.

I. ABOUT MICROECONOMIC THEORY

The objective of economics is to understand the operation of the economy, and to guide decision-making by individuals and organisations such as firms or government in the economy.

Economists seek to achieve this objective by developing ‘theories’. The structure of an economic theory consists of two components: a model and a set of hypotheses that represent the logical consequences of that model. A model is a simplified representation of an aspect of the economy that is to be the subject of theoretical analysis. Having specified a model to characterise the operation of some aspect of the economy, hypotheses or propositions are derived as logical consequences of the specified model. The degree of consistency between the hypotheses and actual market outcomes provides one test of the value of the theory for understanding the operation of the economy.

It is not only economists who use models to seek to understand behaviour and social outcomes. For example, in political science and industrial relations the use of models is also common. A distinction between ‘economic’ and ‘non-economic’ models is generally made on the basis of the specific features of those models. Two types of features identify economic models. First, there is a range of core assumptions common to most modern economic models. Neoclassical economists, for example, have as basic modelling assumptions that all decision-makers are rational and have well-defined objectives they seek to achieve. The assumption of rationality means that in any environment, a decision-maker is aware of the complete set of actions available, can calculate the consequences of each action, and chooses the action which is best for achieving their objective. Second, in developing theories for studying specific economic situations, most economists would draw on the same general set of models. For example, for modelling strategic situations, a common approach would be to apply a ‘game theoretic’ model.

An important detail regarding an economic model is that it will necessarily be a simplified and subjective representation of the aspect of the economy it seeks to describe. First, it would never be possible, or indeed useful, to provide a representation of the economy which included every possible detail about the economy. The objective of an economic theory is to identify and highlight the key factors which might explain some economic outcome, and to abstract from inessential details regarding that outcome or the situation from which it arose. In this regard, Keith Whitfield (The Australian Labour Market, 1987, Sydney, Harper and Row, p.7) has noted with reference to labour economists that:

"Some labour economists have likened their work to the making of a map - for the objective is not so much to describe reality as to give a representation
which will be useful to those having to plot a course through it. Instead of contours or symbols, the labour economist develops theories and concepts, but the aim is much the same, that is, to develop a representation of a complex phenomenon which allows the main features to be highlighted and the superficial to be ignored."

A second consideration is that each economist will perceive different aspects of the operation of the economy, and different economic outcomes, in very different ways. The historian E.H. Carr (What is History?, 1964, Pelican Books, p.22) has observed that:

"...the facts of history never come to us 'pure', since they do not and cannot exist in a pure form: they are always refracted through the mind of the reader."

The study of economics is no different. There are no objective facts about the operation of the economy or the nature of economic outcomes - only individual economists' perceptions of economic activity. Hence, any representation of the economy, and any choice of what aspects of the economy should be highlighted in a model, will be subjective.

As John Maynard Keynes wrote (in Essays in Biography, pp.207-208, Macmillan, London) in 1933:

"The theory of economics does not furnish a body of settled conclusions immediately applicable to policy. It is a method rather than a doctrine, an apparatus of the mind, a technique of thinking, which helps its possessor to draw correct conclusions."

All this suggests that an economist must have two main skills – first, a ‘tool-kit’ of approaches to modelling the economy; and second, knowledge of how to apply those approaches to develop theories which fit the specific situations in which the economist is interested.

The primary objective of this subject is to develop both types of skills. Specifically the subject will:

a) Introduce approaches and concepts fundamental to microeconomics – the concepts of demand, supply and market equilibrium in perfectly competitive markets; game theory; and firm behaviour in competitive and non-competitive markets; and

b) Give you the opportunity to develop the skill to apply microeconomic theory – using case studies, tutorial problem sets, and assessment exercises.

Saying that economics is about applying particular types of theories to understand the operation of the economy of course begs the question – what is the economy? Or put another way, what types of situations does economics seek to understand? There is no simple answer to this question. One response is to say that economics is concerned with situations involving choices about the allocation of scarce resources – and that microeconomics is about situations where individual units such as households and firms must make choices. This definition, however, still includes a wide range of
situations. Amongst these situations there will be some where valuable insights can be obtained using economic modelling, and others where economic models seem of less use. For example, the application of economic models to seek to understand what factors influence consumers’ demand for food seems to provide useful insights; on the other hand, economic models seem much less relevant to understanding decisions about household formation (such as marriage). Economists however will disagree about what situations can and cannot usefully be understood using economic models (for example, some economists would disagree with this opinion on using economic models to study marriage). Therefore, the decision about what types of situations can be understood using economic models is also a subjective one.

One final issue about economic models concerns the use of mathematics. It is important to know that maths is just another language for describing a model of the economy. Any model expressed mathematically can also be expressed in words. There are a number of reasons though why it is often useful to express a model in mathematical form. First, maths provides a common language for communicating the details or structure of a model. Second, a mathematical representation makes it easy to test the logical consistency of hypotheses or propositions derived from a model, and clarifies the relation between the model and conclusions. (For more discussion of this issue, see Krugman, P. (1998), ‘Two cheers for formalism’, Economic Journal, pages 1829-1836.)
### APPENDIX 1: LECTURE OUTLINE AND READINGS – EARLIER TEXTBOOK EDITIONS

<table>
<thead>
<tr>
<th>Lecture</th>
<th>Date</th>
<th>Topic</th>
<th>Reading 1</th>
<th>Reading 2</th>
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<td>A. Introduction</td>
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<td>Subject overview</td>
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<td>2</td>
<td>July 31</td>
<td>Introduction to key concepts in microeconomics</td>
<td></td>
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<td>B. Perfectly competitive markets</td>
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<td>3</td>
<td>August 5</td>
<td>Demand and supply</td>
<td>62-75</td>
<td>58-71</td>
</tr>
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<td>August 7</td>
<td>Market equilibrium and comparative statics</td>
<td>75-82</td>
<td>71-78</td>
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<td>C. Welfare and markets</td>
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<td></td>
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<td>7</td>
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<td>Welfare in perfectly competitive markets</td>
<td>134-50; 155-64</td>
<td>126-42; 146-53</td>
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<td>August 21</td>
<td>International trade</td>
<td>173-89</td>
<td>162-82</td>
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<td>August 26</td>
<td>Market failure 1: Externalities</td>
<td>200-19</td>
<td>188-205</td>
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<td>August 28</td>
<td>Market failure 2: Public goods</td>
<td>225-32</td>
<td>209-14</td>
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<td>11</td>
<td>September 2</td>
<td>Markets – A review</td>
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<td>D. The firm and managerial economics</td>
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<td>September 4</td>
<td>Key decisions and key concepts</td>
<td>270-77</td>
<td>250-57</td>
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<td>13</td>
<td>September 9</td>
<td>Measures of cost</td>
<td>278-86</td>
<td>258-66</td>
</tr>
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<td>September 11</td>
<td>Strategies to reduce costs/Introduction to revenue</td>
<td>348-49</td>
<td>320-22</td>
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<td>No.</td>
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<td>15</td>
<td>September 16</td>
<td>The ‘basic’ price/quantity decision</td>
<td>293-98; 315-26</td>
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<td>271-76; 292-303</td>
<td>283-88; 306-17</td>
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<td>16</td>
<td>September 18</td>
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<td>298-309</td>
<td></td>
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<td>327-30; 339-40; 371-81; 396-400</td>
<td>303-06; 313-14; 347-54; 368-71</td>
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<td>September 25</td>
<td>What price to set?</td>
<td>330-39</td>
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APPENDIX 2: IMPORTANT NOTES ON DOING THE ASSIGNMENTS

1. Plagiarism

Please be aware of the University policy on plagiarism. There is no problem discussing with other students how you are planning to answer the questions, or sharing ideas about how to complete the assignment. But the writing up of your answers to the assignment MUST be something that is your work alone.

2. Word limit

Remember that there is a word limit. If you can provide a thorough answer in fewer words than the limit, it is fine. A precise answer is always preferred to an answer that includes content that is not directly relevant to the question.

3. Diagrams

Use diagrams where you believe this will assist you in giving the most effective answer to a question. (But it is not required to use diagrams for every question.)

For a diagram to contribute to your answer you’ll need to:

**Represent the diagram correctly** - Each diagram should be titled and all axes and curves should be labeled. The initial point of equilibrium should be identified. Changes in points on the diagram should always be explained with reference to the changes measured along both axes.

**Explain the diagram** - You should be able to explain the diagram in words and relate it to the point you are making or question you are answering. Remember, a diagram by itself does not constitute an answer.

**Relate the diagram to the relevant theory** – Make sure your diagram is consistent with the model and theory you are using, and represents them correctly and logically.

**Source:** Cowie J., Findlay C., McTaggart D., Reading between the lines
Addison-Wesley Sydney, 1994.

4. Referencing

You need to reference any direct quotes or major pieces of evidence you cite, as well as where you are drawing extensively on another work in your own writing. The standard referencing system in economics is the Harvard system, but you can use whatever referencing system you find suits you best.
Example: The Harvard System

How to cite references within the text of your essay

References in the text give the author’s surname, the date of publication and, if a quote or specific fact is referred to, the page number as well.

Where reference is made in the essay to more than one work by the same author that was published in the same year, the distinction is shown by using letters (both within the text and in the reference list), as follows:
‘As shown in Rockett (1990b), in industries where…’

The abbreviation ‘et al.’ may be used where there are more than three authors, as follows:
See Kamien et al. (1992) for a comparison of optimal…’

When citing several references to support a particular point, list them chronologically and separate them with semi-colons:
‘There exists a vast theoretical literature exploring the reasons for and consequences of this type of policy (Abowd, 1976; Wooden & Dawkins, 1983; Williams et al., 1995).’

How to cite references in your essay reference list or bibliography

A. BOOKS

The following information should be provided in the order stated:

- Author’s name and initials
- Date of publication
- Title, underlined or in italics, with initial letters of first word and of proper nouns in capitals
- Publisher
- Place of publication
- Page numbers, if a specific reference in a long work under the Oxford system.

Authors are cited in the order used on the title page. (All authors should be shown in the reference citation, though, as mentioned above, in the text the name of the first author and ‘et al.’ can be used where there are more than three authors.)

B. JOURNAL ARTICLES
The format for referring to journals and periodicals is as follows:

- Author’s name and initials
- Date
- Article title in lower case
- Journal title, underlined or in italics
- Volume number
- Page numbers.


C. ARTICLES OR CHAPTERS IN BOOKS

D. GOVERNMENT PUBLICATIONS
APRA (Australian Prudential Regulation Authority), 2003, Superannuation Trends, Sydney.

E. NEWSPAPER ARTICLES

Silkstone, Dan 'Levy on city car parks proposed to cut congestion'. The Age, 8 April 2005, p3.

F. WEBSITES
List the author, year of publication, and title of the reference. As well it is necessary to include the address of the site from which the material was accessed, and the date at which it was accessed.
APPENDIX 3

University of Melbourne
Faculty of Business and Economics

Code of Conduct – Lectures
Lectures are a core element of teaching and learning in the Faculty of Business and Economics. They provide a forum in which your lecturer can guide you through technical content and scholarly perspectives on the subject material. Lectures also enable you to structure your learning of a subject.

Success in the Faculty of Business and Economics is strongly related to engagement with lectures and tutorials. Engagement means being well-prepared for classes, regularly attending lectures and tutorials, and participating whenever there is an opportunity for active learning.

This Code of Conduct for Lectures has been prepared in response to the demand by students for an environment where their learning experience in lectures is not disrupted by the behaviour of other students.

What can you expect of us?
All staff conducting lectures in the Faculty of Business and Economics undertake to:
• Deliver thoroughly prepared and well-structured lectures.
• Be responsive to your learning needs.
• Commence lectures on time.
• Attend all lectures and notify you of any changes in the timetable.
• Ensure that the appropriate lecture materials and associated learning resources are available throughout the semester.

What do we expect of you?
• Be attentive to the lecturer.
• Do not talk during the lecture. Lecture theatres are designed with very effective acoustics. Even if you sit in the back row and whisper your conversation will detected as noise by the lecturer and by many of your fellow students in the theatre. If you require clarification of a point or want a point you missed repeated, please ask your lecturer. More complex queries should be addressed to your lecturer immediately after the lecture, or in the lecturer’s consultation time.
• Arrive on time and stay for the full lecture. Lectures commence 5 minutes after the scheduled start time and finish 5 minutes prior to scheduled finish time. If you do find yourself arriving late or needing to leave early please sit at the end of an aisle towards an exit door.
• Turn mobile phones off. This removes a potential source of disruption for other students, and will mean you can avoid the temptation to receive and send text messages during the lecture.
• Bring required materials to the lecture.

We appreciate your cooperation in ensuring a productive learning environment.