ASSUMED KNOWLEDGE

Students are assumed to have a thorough knowledge of intermediate microeconomics and of undergraduate-level mathematics (graphs, algebra, univariate and multivariate differential calculus). Some knowledge of statistics (probability, expected value, variance) will also be assumed.

SUBJECT COORDINATOR, LECTURER AND TUTOR

Associate Professor Joan Rodgers  
School of Economics

Room: 40.108  Ph: 42-214583  email: Please use WebCT email only

Consultation times:  
Monday 14.00-16.00  
Tuesday 12.30-13.30  
Thursday 16.30-17.30

LECTURE/TUTORIAL TIMES

Lectures/tutorials will be held on Thursday at 13.30 - 16.30 in Room 127, Building 40
SECTION A: GENERAL INFORMATION

BRIEF OUTLINE
The subject provides a bridge between microeconomics at the undergraduate level and microeconomics in a good-quality Ph.D program. The subject extends and deepens the student’s understanding of the theory of consumer behaviour and the theory of the firm and covers some new topics such as economic behaviour under conditions of uncertainty and the economics of information.

STUDENT LEARNING OUTCOMES
On successful completion of this subject, the student should be able to:

1. Explain in well-written English the fundamental concepts, theory and results from the following areas of microeconomics: the theory of consumer choice, the theory of the firm, choice under uncertainty, the economics of information, time allocation models, pricing in input markets and optimal resource allocation over time;

2. Use economic logic and mathematics (graphs, algebra, univariate and multivariate differential calculus) to model economic relationships, investigate optimality conditions, and solve microeconomic problems so as to demonstrate an understanding of how the theory is applied.

3. Read and comprehend many of the articles utilizing microeconomic theory or its application that appear in professional economic journals aimed at a general academic audience and in some specialized journals.

ATTENDANCE REQUIREMENTS
Students are expected to attend all lectures/tutorials, to be punctual and not leave early. If you anticipate being absent from class, except in unforeseen and incapacitating circumstances, you should drop this subject. Mobile phones must be switch off during each 3-hour class.

PARTICIPATION/CONTRIBUTION TO CLASSES
Students are expected to prepare for class by studying the textbook, preparing written answers to prescribed problems, and reading other material as directed by the lecturer. Students are also expected to participate in class discussion, particularly discussion of problem sets.

REQUIRED TEXT(S)

If you choose to use the 8th edition, note that the chapters in the 8th and 9th editions are ordered differently. It is your responsibility to correctly identify chapter and page references given in this (and other) documents. Note that both editions are on Reserve in the UOW Library.

Details of this textbook are available online from the University Bookshop at http://unishop.uow.edu.au/textbooks/
RECOMMENDED BACKGROUND AND FURTHER READING

Other Useful Textbooks in the University Library


Classic Articles

The following book is on Reserve in the UOW library.


It contains class articles in microeconomics. Chapters relevant to this subject are:

Economic Models

Machlup, Fritz, “Theories of the Firm: Marginalist, Behavioral, Managerial”, in Mansfield.

Preferences and Utility


Utility Maximization and Choice


Demand Relationships among Goods


Market Demand and Elasticity


Costs of Production


Profit Maximization and Supply

Capital

Expected Utility and Risk Aversion

Economics of Information
Spence, Michael, “Job Market Signalling”, in Mansfield.

Other Reading

Firms’ Demands for Inputs
Lewis, Phil & Ian MacDonald, “The Elasticity of Demand for Labour in Australia”,

Labour Supply
Folbre, Nancy and Julie Nelson, “For Love or Money - or Both”,

Capital

Expected Utility and Risk Aversion
Holt, Charles A. and Susan K Laury (2002), 'Risk Aversion and Incentive Effects',

Economics of Information
Stiglitz, Joseph E., “Information and the Change in the Paradigm in Economics”,

This is not an exhaustive list of references. Other references may be given in class. Students should also use the library catalogue and databases to locate additional resources.
### LECTURE/TUTORIAL PROGRAM

<table>
<thead>
<tr>
<th>Date</th>
<th>Topics Covered</th>
<th>Readings</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Week 1: Emergency Evacuation Procedures</td>
<td>Nicholson, Ch 1</td>
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<tr>
<td></td>
<td>Economic Models</td>
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<td></td>
<td>Mathematics of Optimization</td>
<td>Nicholson, Ch 2</td>
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<tr>
<td></td>
<td>Preferences &amp; Utility</td>
<td>Nicholson, Ch 3</td>
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<tr>
<td>2</td>
<td>Week 2: Discussion of Problem Set 1</td>
<td>Nicholson, Ch 4</td>
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<tr>
<td></td>
<td>Utility Maximization and Choice</td>
<td></td>
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<tr>
<td>3</td>
<td>Week 3: Discussion of Problem Set 2</td>
<td>Nicholson, Ch 5</td>
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<td></td>
<td>Income and Substitution Effects</td>
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<tr>
<td>4</td>
<td>Week 4: Discussion of Problem Set 3</td>
<td>Nicholson, Ch 6</td>
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<td></td>
<td>Demand Relationships among Goods</td>
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<tr>
<td>5</td>
<td>Week 5: Discussion of Problem Set 4</td>
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<tr>
<td></td>
<td>Test 1 (20%)</td>
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<td>6</td>
<td>Week 6: Discussion of Test 1</td>
<td>Nicholson, Ch 7</td>
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<td></td>
<td>Production Functions</td>
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<td></td>
<td>Mid-session Break</td>
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<tr>
<td>7</td>
<td>Week 7: Discussion of Problem Set 5</td>
<td>Nicholson, Ch 8</td>
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<td></td>
<td>Costs Functions</td>
<td></td>
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<tr>
<td>8</td>
<td>Week 8: Discussion of Problem Set 6</td>
<td>Nicholson, Ch 9</td>
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<tr>
<td></td>
<td>Profit Maximization</td>
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<tr>
<td>9</td>
<td>Week 9: Discussion of Problem Set 7</td>
<td>Nicholson, Ch 16</td>
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<td></td>
<td>Labour Markets</td>
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<tr>
<td>10</td>
<td>Week 10: Discussion of Problem Set 8</td>
<td>Nicholson, Ch 17</td>
</tr>
<tr>
<td></td>
<td>Capital Markets</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Week 11: Discussion of Problem Set 9</td>
<td>Nicholson, Ch 18</td>
</tr>
<tr>
<td></td>
<td>Uncertainty &amp; Risk Aversion</td>
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<tr>
<td>12</td>
<td>Week 12: Discussion of Problem Set 10</td>
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<tr>
<td></td>
<td>Test 2 (30%)</td>
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<tr>
<td>13</td>
<td>Week 13: Discussion of Test 2</td>
<td>Nicholson, Ch 19</td>
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<tr>
<td></td>
<td>Economics of Information</td>
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</tbody>
</table>

Problem sets are provided in a separate document that can be downloaded from WebCT. You must present your written answers to problem sets to the lecturer at the beginning of the relevant 3-hour lecture/tutorial. Discussion of the problem set will take place in the first part of the class. You may revise your written answers as a result of discussion, but only in a different colour pencil or ink to that used to prepare your original answers. Written answers to problem sets will be collected by the lecturer but will not be marked. They will be returned at the beginning of class in the following week.
## SECTION B: ASSESSMENT

<table>
<thead>
<tr>
<th>Test 1</th>
<th>Monday, 29 March (Week 5), 2 hr test during class time.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighting</td>
<td>20%</td>
</tr>
<tr>
<td>Coverage</td>
<td>Material covered and referenced in lectures/tutorials during Weeks 1-4 and Problem Sets 1-4.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Test 2</th>
<th>Monday, 24 May (Week 12), 2 hr test during class time.</th>
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</thead>
<tbody>
<tr>
<td>Weighting</td>
<td>30%</td>
</tr>
<tr>
<td>Coverage</td>
<td>Material covered and referenced in lectures/tutorials during Weeks 6-11 and Problem Sets 5-10.</td>
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</tbody>
</table>

### Both tests

- **Format**: Problems of the type set for weekly assignments.
- **Marking Criteria**:
  - Use of clear and concise English to demonstrate understanding of the problems posed and to communicate correct solutions.
  - Presentation of complete solutions showing detail of how the final result was derived as well as the final result itself.
  - Arithmetic accuracy, correct application of algebra, calculus, etc..
  - Quality of graphs and diagrams, which must be neat, carefully drawn and fully labelled.

### Final Examination

- **During the examination period in June. Date TBA.**
  - **Weighting**: 50%
  - **Time allowed**: 3 hours and 15 minutes
  - **Format**: Problems, long-answer and short-answer questions.
  - **Coverage**: Material covered and referenced in lectures/tutorials during Weeks 1-13 and Problem Sets 1-10.
  - **Marking Criteria**: See criteria for Tests 1 & 2.

**NOTE**: The examination format cannot be changed from that stated above without the written consent of all students enrolled in this subject.
ADDITIONAL COMMENTS
The best preparation is to study relevant material before coming to lectures/tutorials, attend all lectures/tutorials and ask questions about material that you do not understand. You should attempt all problems in the problem sets before class and use class discussion to ascertain whether your answers are correct. After class you should rework any incorrectly answered problems using information obtained from class discussion. You may also seek clarification from the lecturer about problems that caused you difficulty. Study as much material from the recommended reading list as time allows.

SCALING
Final marks may be scaled, but only in exceptional (and unforeseeable) circumstances.

PERFORMANCE LEVEL
To be eligible to pass this subject, students must achieve a mark of at least 50%, and at least 40% on the final examination.

SUBMISSION, RETENTION AND COLLECTION OF WRITTEN ASSESSMENT
Test papers will be marked and handed back in class in the week following the test.

PENALTIES FOR LATE SUBMISSION OF ASSESSMENT
Not applicable.

PLAGIARISM
Plagiarism means using the ideas of someone else without giving them proper credit. For example, that someone else may be an author, critic, journalist, artist, composer, lecturer, tutor or another student. Unintentional plagiarism can result if you don’t understand and use the acceptable scholarly methods of acknowledgement. Whether plagiarism is deliberate or unintentional, the University may impose penalties, which can be very severe. When it is desirable, or necessary, to use other people’s material, take care to include appropriate references and attribution. Plagiarism will not be tolerated and has led to expulsion from the University.

Students should visit the following University website and become familiar with the University’s policy on Plagiarism.

C1 UNIVERSITY POLICIES

Information on the following University Policies can be found at the websites below:

<table>
<thead>
<tr>
<th>Policy</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical objection by students to the use of animal and animal products in coursework subjects</td>
<td><a href="http://www.uow.edu.au/about/policy/ethicalobjectionanimals.html">http://www.uow.edu.au/about/policy/ethicalobjectionanimals.html</a></td>
</tr>
</tbody>
</table>

* see brief explanation of policy below.

C1.1 NON-DISCRIMINATORY LANGUAGE

The Faculty of Commerce supports the University’s policy on the use of non-discriminatory language. It is the responsibility of students to ensure that they understand and abide by this policy. The policy is available at:

http://staff.uow.edu.au/eeo/nondiscrimlanguage.html
C1.2  SPECIAL CONSIDERATION POLICY

The Faculty of Commerce recognises that it has a responsibility to ensure equity and consistency across its subjects for all students. Sometimes, in exceptional circumstances, students need to apply for special consideration in order to complete all assessable work.

The University applies strict criteria to the granting of special consideration. Before applying for special consideration students should carefully read the University’s policy. The policy can be found at:


C1.3  STUDENT ACADEMIC GRIEVANCE POLICY

The Faculty of Commerce aims to provide a fair, equitable and productive learning environment for all its students. The Student Academic Grievance Policy seeks to support the achievement of this goal by providing a transparent and consistent process for resolving student academic grievances.

Any student who has a grievance over a result should obtain a Faculty of Commerce Appeal of Assessment Form from the Schools or the Sub-Dean’s Unit. The student should firstly take the form to the marker/lecturer to discuss the matter and, if the student is still not satisfied, s/he should take the next step as outlined on the form.

Once the grievance has been considered by the Faculty, if the student still feels the situation has not been fully resolved s/he may consult the Dean of Students. However, the Dean of Students can have no input into the academic judgement of the lecturer and can only review the grievance to ensure proper procedure has been followed.

For more information, please consult the policy in full at


C2  FACULTY AND SCHOOL POLICIES

Special Consideration Policy

It is the policy of the School of Economics that if a student is offered a supplementary examination but does not sit that supplementary examination for whatever reason, another supplementary examination will not normally be provided. Other action such as support for discontinuation rather than fail will be considered if appropriate.

Faxing of Written Assessment

Faxing of written assessment will not be accepted within the Discipline of Economics. If you fax your assigned work — it will not be marked.

Workload

The University of Wollongong has a policy that each credit point has an implied workload of 2 hours per week.
REFERENCING

WHY DO YOU NEED TO REFERENCE?
At University it is necessary to acknowledge the sources of information and ideas that you have incorporated in your assignments. Failure to do this thoroughly may result in accusations of plagiarism: this is the academic equivalent of stealing (because by not acknowledging someone else’s work, you are presenting it as your own). Plagiarism is taken very seriously by the University and may result in expulsion from the University.

Referencing is not only about acknowledging other people’s work: accurate referencing and lists of references are beneficial when researching a topic as they allow the reader to follow up information and read further into the area. In a sense, references provide readers with clues to help them explore different avenues of a topic. This aspect of referencing will become more valuable to you as you progress in your studies.

There is a correct procedure that must be followed when referencing and using footnotes. Not complying with these set techniques and format will most likely result in loss of marks.

When writing an essay it is easiest to reference as you go, making sure you are writing down all relevant information. This will save hours trying to find the source again in the library.

THE HARVARD SYSTEM OF REFERENCING
The Faculty of Commerce uses the Harvard system of referencing. This system makes use of short references within the body of the text. It is supplemented by a detailed list of references at the end of the text, which provides all the information necessary to find the source material. In-text references include the author and year of publication, and where necessary the page number(s).

It is the responsibility of students to ensure that they are familiar with the Harvard system of referencing and that they use it accurately in all written work submitted.

Students should consult the following University Library website for a detailed explanation and examples of the Harvard system of referencing.


CITATION OF ELECTRONIC SOURCES
It is necessary for students to reference all sources used in their written work, including file transfer protocol sites, worldwide web sites, telnet sites, synchronous communications (MOOs, MUDs, IRC, etc.) Gopher sites, and email, Listserv and Newsgroup citations.

It is the responsibility of students to ensure that they are familiar with the accepted Faculty of Commerce practice for referencing electronic material and that they use it accurately in all written work submitted.

Students should consult the following University Library website for a detailed explanation and examples of how to reference electronic material.

C3 SUPPORT SERVICES AND FACILITIES

LEARNING RESOURCE CENTRE

Learning Development offers a range of free services to all enrolled students who wish to improve their academic or English language skills. There are a range of workshops available including; essay writing and editing; reading for assignments; grammar; presentation skills; pronunciation and exam preparation.

For information on language and academic skills workshops, or to make appointments for consultations, please visit the Learning Resource Centre (LRC), Building 19, Ground Floor, Room G102, or Phone 02 4221 3977. For further information visit the website:


FACULTY LIBRARIANS

Each faculty has a Faculty Librarian who is available to help with research related enquiries. Research Help Desk staff are also available in the Library to assist with research needs.

The Faculty Librarians for Commerce can be contacted as follows:

email: lib_commerce@uow.edu.au

telephone: 42 213078

DISABILITY LIAISON OFFICER

The Disability Liaison Officer (DLO) can provide advice on how particular disabilities affect university study and information on resources available at the University for assisting students with disabilities. Students commencing courses are advised to contact the Disability Liaison Officer prior to the beginning of their first session of study.

For further information on services offered, consult the Disability Services website or contact the office.

web address: http://www.uow.edu.au/student/services/ds/

telephone: 42 213445

telephone: 42 215667
FACULTY DISABILITY ADVISERS

Faculty Disability Advisers are academic staff who provide assistance and support to students with disabilities within their Faculty and act as an intermediary between the student and the Faculty's academic and general staff. They provide support, educational advice and referral to appropriate staff on issues related to teaching and learning within the Faculty and the University. Students are advised to communicate specific information about the ways in which their disability affects learning to the Faculty Disability Adviser as soon as possible after enrolment.

The Faculty of Commerce Disability Adviser is Mr. Ron Perrin. Mr Perrin can be contacted as follows:

Office location: Building 40, room 224
email address: ron_perrin@uow.edu.au
telephone: 42 214118

WOOLYUNGAH INDIGENOUS CENTRE

The Woolyungah Indigenous Centre provides academic and personal support for Aboriginal & Torres Strait Islander and other indigenous students. The Centre also runs an Indigenous Specific Orientation Program for students who gain entry to the University through the alternative admissions program.

For further information on services offered, consult the Woolyungah Indigenous Centre website or contact the office.

Centre location: Building 30
web address: http://www.uow.edu.au/aec/
telephone: 42 213563
fax: 42 214244