

ECON 2103 – Principles of Microeconomics

School:	School of Business and Management
Subject Area:	Economics
Course Credit:	3
Instructor:	DING Fei
Pre-requisite/co-requisite:	Nil

Notes:

- The syllabi provided here is for reference only and may be subject to changes and adjustments as determined by the course instructors.

HKUST Business School - Department of Economics
ECON2103 - Principles of Microeconomics (Spring 2025)
Course Syllabus

Lecture Time & Venue:	L1: WeFr 04:30PM - 05:50PM (<i>Rm 1014, LSK Bldg</i>) L2: MoWe 12:00PM - 01:20PM (<i>Rm 1011, LSK Bldg</i>) L3: Mo 04:30PM - 05:50PM & Fr 12:00PM - 01:20PM (<i>Rm 1010, LSK Bldg</i>)
Course Website:	https://canvas.ust.hk/courses/36392
Instructor:	Wenwen ZHANG
Office:	Room 6084, LSK Bldg
Email:	wwzhang@ust.hk
Office Hours:	By appointment
Teaching Assistant:	LAU Teresa (L4) ectylau@ust.hk Pang Tsoi (L6&L8) pangtsoi@ust.hk
Office:	Room 6066, LSK Bldg
Office Hours:	TBA

Course Description:

As an introductory course (it may be your first course in economics), this course intends to cover fundamental concepts and tools that are used in microeconomic analysis. In this course, I will show you that economics provides a powerful way of thinking that can help you understand many human and social phenomena, and also enrich you in a wide range of career choices. I will use real world examples and cases as much as possible in order to enhance your understanding of course materials. Eventually, I would like all of you to come up with your own “definition” or “meaning” of economics and establish its applicability in your daily life.

Textbook:

“*Principle of Microeconomics, 10th edition*” written by N. Gregory Mankiw, South-Western, Cengage Learning. Supplementary readings will be posted on the Course Website (if any).

Learning Outcome – School Intended Learning Outcomes (“SILOs”):

1. Explain the methodology of microeconomic analysis, including key assumptions used, how economics differs from the other social science disciplines, and the strengths and limitations of this analysis framework (SILOs # 1 and 4).
2. Describe the key concepts and tools of microeconomic analysis, such as gain from trade and specialization, how price is determined in the free market, how efficiency is measured, how the market structure affects the determination of price and quantity transacted, and decision-making by buyers and producers under constraints (SILOs # 1 and 3).
3. Examine the role of government and its interaction with the free market by evaluating government policies and their impact on economic activities and justifications for

government intervention or participation, such as to maintain the public good (SILOs # 1, 3 and 4).

4. Apply economic tools and principles to identify, analyze and propose explanations for and solutions to real world issues (SILOs # 2, 3 and 4).

For the details of SILOs, please refer to:

<http://undergrad.bm.ust.hk/academics/academic-programs/learning-outcomes>

Course Format / Teaching Approach:

This course is delivered through lectures and tutorials. Students attend two 80-minute lectures per week. Personal Response System(iPRS) will be used during lectures to encourage class participation and sharing among students and with me. Please try to attend all lectures and participate actively in discussions. (https://registry.hkust.edu.hk/calendar_dates/dates24-25confirmed.pdf).

Course Outline:

- I. Introduction
 1. Ten Principles of Economics (Chapter 1)
 2. Thinking Like an Economist (Chapter 2)
 3. Interdependence and Gains from Trade (Chapter 3)
- II. How Markets work
 1. The Markets Forces of Supply and Demand (Chapter 4)
 2. Elasticity and Its Application (Chapter 5)
 3. Supply, Demand, and Government Policies (Chapter 6)
- III. Markets and Welfare
 1. Consumers, Producers, and Efficiency of Markets (Chapter 7)
 2. Application: The Costs of Taxation (Chapter 8)
- IV. Firm Behavior and the Organization of Industry
 1. The Costs of Production (Chapter 13)
 2. Firms in Competitive Markets (Chapter 14)
 3. Monopoly (Chapter 15)
 4. Oligopoly (Chapter 17)
- V. Optional Topics (if time allows)

Examinations and Grades:

Quizzes and Problem sets:

- You will be assigned 5 quizzes and 3 problem sets during the semester. Quizzes (MCQs only) are assigned on a biweekly basis and submitted on the canvas. Each quiz remains active on the canvas for one week. By default, only one attempt is allowed. Quizzes are credited by submissions.
- Soft copy of the problem sets must be uploaded on canvas before the deadline announced. Suggested answers with detailed explanation will be posted on the Course Website after the deadline of each problem set. Problem sets are credited by submissions and will be randomly checked if irrelevant files are submitted.
- Please note that NO late submissions will be accepted. In case you are sick and cannot submit Problem sets on time, please email TA before the due time with a valid medical or legal document attached. As a result, the completed homework should be uploaded on canvas no later than the first tutorial following the due date.

Midterm and Final Exams:

- There will be Two midterm exams. The midterm exam will cover lecture materials, problem sets and assigned reading (if any).
- The final exam is CUMULATIVE. It may contain multiple-choice, true & false questions and essay-type questions, which require explanation in writing, graph and calculation.

Absence from Midterm and Final Exam:

- If for any reason you are unable to attend the midterm or final exam, you must seek approval of absence from me directly BEFORE the exam. Your request should be supported by valid documents, such as medical certificate issued by a registered medical practitioner. Absence from an exam without prior approval of absence would result in ZERO score.
- There will be **NO** makeup for any Midterm exams. If you miss both midterm exams for any reasons, you will receive ZERO for your midterm exams.
- For students who are absent from the final exam with prior approval, a make-up exam will be arranged. Make-up exam will be scheduled as soon as possible and should be within one week after the official final exam date (to be announced). It is the responsibility for those who request for a make-up exam to ensure their availability. The make-up arrangement can be in the form of written-exam, oral exam or research paper, etc. Please NOTE that the instructor has the final discretion on all arrangements of the make-up exam. Students who request for the make-up final exam should comply all the requirements as communicated by the instructor. Failing to meet any requirement may result in a ZERO score.

Overall Score of Grading for the Course:

Your overall score for the course will be computed according to one of the following two schemes, **whichever yields the higher score**. This means that a low score in a midterm exam will not lower your course grade, and **it always makes sense to take both midterm exams**. As you can see, a good score can raise your grade, but a low score will not lower it.

Scheme (1): Course score with TWO midterms

Assessment Activities	Weighting
3 Problem Sets	12%
5 Quizzes	8%
Midterm Exam ((1) and (2))	20%+20%
Final exam (cumulative)	40%

Scheme (2): Course score with ONE midterm

Assessment Activities	Weighting
3 Problem Sets	12%
5 Quizzes	8%
Midterm Exam ((1) or (2), the higher one)	28%
Final exam (cumulative)	52%

Academic Honesty and Integrity:

Academic integrity and honesty are key values at HKUST. Please read the information on academic integrity carefully. It is your responsibility to be familiarized with the Academic Honor Code and the content on the Academic Integrity website (<https://registry.hkust.edu.hk/resource-library/academic-integrity>). The Code will be STRICTLY enforced. I will report any cases to the University WITHOUT EXCEPTIONS.

I will try my best to make the course requirements as clear as possible. When you have any question or you encounter any difficulties in studying, please do not hesitate to consult me either in or out of class throughout the semester. I am delighted to help you succeed in the course. Please be aware that ultimately it is you EARNING the grade, not me GIVING you the grade. So, when the grade is out, one thing I will NOT do is to change your grade if what you want (need) is different from what you get.

Video Class Etiquette:

- You are expected to be punctual for both lectures and tutorials; I will start and end the lecture on time.
- You are welcome to bring your laptop or other devices to lectures for learning purposes.
- Respect the others in class and do not disturb others with side conversation, Internet surfing, emails-checking or instant-messaging during class time.
- No eating in class at any time.

Grading Rubrics:

Grade	Short Description	Elaboration
A	Excellent Performance	Students demonstrate a strong grasp of Microeconomic theories, effectively apply economic tools discussed, excel in problem sets, and perform exceptionally on exams. They exhibit exceptional analytical skills, critical thinking, and effective participation in class discussions.
B	Good Performance	Students exhibit a solid understanding of Microeconomic theories, proficient apply economic tools, and competent completion of problem sets. They show commendable analytical skills, effective critical thinking, and participation in class discussions.
C	Satisfactory Performance	Students demonstrate an adequate understanding of Microeconomic basics, satisfactory use of tools, and completion of problem sets. They display acceptable analytical skills and participation in class discussions.
D	Marginal Pass	Students show limited understanding of Microeconomics concepts, inconsistent use of tools, and incomplete performance in problem sets. Their participation in class discussions is minimal.
F	Fail	Students display a lack of understanding of course materials, inadequate use of tools, and unsuccessful completion of problem sets. They show little to no participation in class discussions.

HKUST Dept of Economics
Econ 2103 L4, L5, & L6 (3 credits)
Principles of Microeconomics
Spring 2025

Exclusion(s)

ECON 2113, ECON 3113, ECON 3133, SOSC 1440, Level 3 or above in HKDSE Economics

Course website: <https://canvas.ust.hk>

Lecture time: **L4:** Mon 03:00-4:20PM; Fri 10:30-11:50AM **Venue:** LSK 1010
L5: Mon 01:30-2:50PM; Fri 09:00-10:20AM **Venue:** LSK 1010
L6: Mon 10:30-11:50AM; Wed 10:30-11:50AM **Venue:** LSK 1007

Tutorial: T4: Thu 11:00 -11:50AM at LSK Room 1034
T5: Thu 03:30-04:20PM at LTK
T6: Thu 06:00-06:50PM at LSK 1010

Instructor: YU, Yan Kelly
E-mail: yanyu@ust.hk Phone: 2358-7606
Office hours: Wed 3:00-3:30PM
Office: LSK 6083B

Teaching Assistant: Yip, Victor (T5); Tsoi, Pang (T4, T6)
E-mail: victory@ust.hk ; pangtsoi@ust.hk
Office hours: by appointments
Office: LSK 6066

Course Description:

As an introductory course, this course intends to cover fundamental concepts and theories used in microeconomic analysis. Economics provides a powerful way of thinking which helps you to understand many economic and social phenomena. I'll use many real world examples to enhance your learning. By studying how consumers and firms make decisions, you will understand how a market works to allocate resource into most valued uses. You will also learn when markets don't work and what some remedies are in that case. Firms' optimal decision under different market structures will also be studied.

Course Intended Learning Outcomes (Course ILOs)

Upon completion of this course, you will be able to:

1. Understand and apply theories on markets: including the market price determination, the efficiency and fairness of market system, the conditions under which markets can perform well, and how the market will change in responding to changing environment. (SILO 1, 3)
2. Understand the framework to address the role of government and able to apply it: when and in which direction the government should intervene the markets, also how to evaluate the impact of relevant government's policies on markets.(SILO 1, 3)
3. Understand consumers' optimal decision making and apply it. (SILO 1, 3)

4. Understand firms' optimal decision making under different market structure and apply it. (SILO 1, 3)
5. Understand the economic methodology and be able to apply it. (SILO 1, 3)

For the details of SILOs, please refer to:

<http://undergrad.bm.ust.hk/academics/academic-programs/learning-outcomes>

Teaching Approach

This course is primarily delivered through lectures and tutorials.

Teaching and learning activities	Roles in the course	Course ILOs addressed
Lectures	Learn key concepts and models and their applications	1,2,3,4,5
Tutorials	Review basic math, discuss answers to homework questions and additional economic issues	1,2,3,4,5

There is no tutorial in the first week.

Textbook:

Required: Mankiw, *Principles of Microeconomics 9e or 10e*, Asia Edition, Cengage.
ISBN 978-981-49-1535-9

Assessment:

Assessment Activities	Weighting	Course ILOs assessed
Class Participation	5%	
Best 5 of 6 homework assignments	25%	1,2,3,4,5
1 midterm exam	0% or 25%	1,2,3,4,5
1 final exam	45% or 70%	1,2,3,4,5

Your total score is based on the higher of the two weighting schemes:

Scheme 1: 5% CP + 25% HW + 25% Midterm + 45% Final

Scheme 2: 5% CP + 25% HW + 70% Final

For every lecture you attend, you earn 0.25% as class participation, up to 5%.

There is also a 1 point bonus mark for tutorial attendance in addition to the 100 points total: for every tutorial you attend, you earn 0.15 point, up to 1 point maximum.

You will be given 6 homework assignments during the semester via Canvas. Late homework will NOT be accepted. Only best 5 of the 6 homework assignments will be counted towards your grade. Homework is not graded precisely. As long as you submitted the homework and got most of the questions correctly, you will receive full

marks for that homework. Copying others' homework is cheating and will be reported to the school and subject to formal investigation.

Assessment is based on detailed Topic intended learning outcomes, which will be provided at the end of each topic.

Midterm is scheduled on March 26, 2025 (Wednesday) 7-9pm. L6's lecture on that day is cancelled.

There is no make-up for the midterm exam. If you miss the final exam with valid reason, you'll have a make-up exam scheduled within 24 hours of the missed final. Sick-leave notice must be issued before the exam time, if any. You must inform me before the exam time if you will miss the final exam. Final exam covers all topics taught.

Please check website for your grade of homework assignments and midterm as soon as you get them back. Any discrepancy should be reported to TA within 1 week from the date of returning your assignments and midterm. Late complaints will not be entertained.

A total score (after adding the bonus point) of 90 points or above guarantees A range score regardless of class average score. 80 points guarantees a B range score.

Course AI Policy

Use generative AI to facilitate your study is encouraged. For homework assignments, please work out the questions by yourself first before getting help from generative AI. But you're allowed to use generative AI for homework. Midterm and Final exams are closed-book, closed-note exams. Use of generative AI is not allowed for exams.

Academic Integrity

Please read the information on academic integrity carefully and follow the instruction: <https://registry.hkust.edu.hk/resource-library/academic-honor-code-and-academic-integrity> . You should be familiar with Academic Honor Code and the content on Academic Integrity website.

I try my best to make the course requirement as clear as possible. When you have any question and when you encounter any difficulty in studying, please do not hesitate to consult me either in or out of class throughout the semester. I'd be delighted to help you succeed in the course. Please remember that ultimately it is you who are responsible for your performance in the course. It is that you earn the grade, not I give you the grade! You know what grade you need to earn (or want to earn) for graduation, scholarships, exchange opportunities, honors, etc. So, when the grade is out, one thing that I absolutely will **NOT** do is to change your grade because what you want (need) is different from what you get.

Course Outline

Part I. Introduction

Chapter 1&2. What is Economics

Chapter 2&3. Gains from Trade

Part II. How Markets Work

Chapter 4. Demand and Supply

Chapter 5. Elasticity

Chapter 7. Efficiency and Equity

Chapter 6 & 8. Government Policies

Chapter 9. International Trade

Part III. Firms and Organization of Industry

Chapter 13. Cost of Production and Market Structure

Chapter 14. Perfect Competition

Chapter 15. Monopoly

Chapter 17. Oligopoly

Part IV. Additional Topics (if time allows)**Grading Rubric:**

Grades	Short Description	Elaboration on subject grading description
A	Excellent Performance	Students demonstrate a strong grasp of the course material and effective application of economic methods taught. They excel in problem sets, and perform exceptionally on exams. They exhibit exceptional analytical skills and critical thinking skills. Consistently contribute to class discussion.
B	Good Performance	Students demonstrate a solid understanding of course materials, proficient use of economic methods taught. They are competent in completing problem sets. They show commendable analytical skills and effective critical thinking. Regular participation in class discussion.
C	Satisfactory Performance	Students demonstrate an adequate understanding of course material, and can apply economic methods taught to familiar problems. They are able to complete problem sets in time. They display acceptable analytical skills and critical thinking in exams and participate in class discussion.
D	Marginal Pass	Students demonstrate basic understanding of course material, inconsistent use of economic methods taught, and marginal performance in problem sets. They show basic analytical skills and critical thinking in exams. Their participation in class discussions is inconsistent.
F	Fail	Students demonstrates insufficient understanding of the course material and lacks the necessary problem-solving skills. They display limited ability to think critically or analytically and exhibits minimal effort towards achieving learning goals. Their participation in class discussion is minimal.