

1The Chinese University of Hong Kong

## ECON 2011C&D Basic Microeconomics

2<sup>nd</sup> term, 2024-25

**Lecturer:** WOO, Wai Chiu, [wcwoo@cuhk.edu.hk](mailto:wcwoo@cuhk.edu.hk), Tel: 39438234, ELB1003.  
Consultation: Please send me an e-mail to fix a (Zoom) meeting time.

**Teaching assistants (TA):** TA office (ELB 1017) tel: 39438202.

- Poon, King Leong, [1155143784@link.cuhk.edu.hk](mailto:1155143784@link.cuhk.edu.hk)
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- Huang, Jia, [jiahuang@link.cuhk.edu.hk](mailto:jiahuang@link.cuhk.edu.hk)

### Teaching venues and timetables:

Please find updated information from CUSIS.

### Teaching mode:

- 100% face-to-face teaching mode: all students should join the classes at the venues, or they will miss the lectures.
- Notice that no live lectures will be video-recorded in any situations, including sick leave. If you have a good reason to be absent, contact the lecturer to see if some assistance may be given.
- Exam/test will be also conducted in face-to-face mode.

**Course description:** Microeconomics discusses the decision-making behind the demand (consumer theory) and supply (the theory of firm) sides, and the interactions between the two sides under different market structures (such as perfect competition and monopoly). We may also introduce some applications of the theory to policy making and strategy formulation when we go along. We use math no more than simple high-school algebra. We will not go through in detail the topics that have been intensively covered in elementary economics courses (such as demand-supply analysis). *Students wanting to avoid mathematics or detailed treatments in the elementary topics should take another course "ECON 1010 Perspectives in Economics" instead.*

**Learning outcomes:** After completing the course, students should have a good understanding of some basic theories in microeconomics and be able to apply the concepts in analyzing real-world issues. In particular, students will learn how to use *indifference curve/budget line*, and *the theory of firm* in their analysis of policy issues or other real-world issues.

**Prior knowledge:** If you are a first-time learner of economics, a better choice for you would be ECON1010 Perspectives in Economics. If you are not interested in ECON1010, you must devote more efforts to self-studying certain topics because we will not give a lengthy treatment to certain elementary topics. You are strongly advised to attend the classes in the first two weeks before deciding whether you should drop the course. Certain prior knowledge is helpful for you to follow the course teaching:

- Basic knowledge in demand-supply analysis: Either you have taken economics courses such as the economics subject in HKDSE, HKCEE, HKAL, GCE, IB or ECON1010 offered by this university, or you are willing to self-study Ch 2 of the textbook.
- High-school level algebra, including the skill to solve a simultaneous equation system. You are not required to know how calculus (e.g. partial derivatives) works, however.

### Learning activities:

#### Lectures:

1. You are advised to read the lecture notes, downloadable from Blackboard, before attending each class. We don't take attendance for lectures, however.
2. Lectures will be given only on a face-to-face basis and will NOT be video-recorded.

*Textbooks:*

3. Pindyck and Rubinfeld. [Microeconomics](#). International Edition. Pearson Education. (In fact, any editions are fine. *The end-of-chapters questions are NOT useful for this course. Don't do them.*)
4. *If you cannot fully understand the taught materials in lectures, you are strongly advised to read the relevant chapters in the textbook.* However, in the exam you will only be tested on materials covered in class.

*Tutorials:*

5. Tutorials will normally start from the teaching week after the add/drop period (we will announce the details later). TAs will go through assignment questions in tutorials.
6. We don't take attendance for tutorials. However, the policy of this course is that written answers will never be posted on the website or given to students. If you want to know the answers, you must attend the tutorials for the verbal explanations. We don't give answers elsewhere.

*E-mails and appointments:*

7. You can communicate with me via e-mail. But *please use e-mails only for questions that can be answered via a short text.* Long questions requiring long answers should be handled after class or in face-to-face (or Zoom) meetings.
8. For making an appointment (through e-mail) with me or TAs for your questions, *it is better that you inform me or TAs of the specific questions that you would like to discuss before the meetings.*
9. *The lecturer will be responsible only for answering questions in relation to lectures and class questions. Questions in relation to assignment answers or marking should be directed to TA.*
10. **No-reply rule:** The lecturer won't reply to your emails in certain specified cases, for example, questions that should be directed to TA. In addition, details about assignments and the exam that have mentioned before - in the course outline, in the assignment instructions, in Blackboard announcements or in class - won't be answered again in emails. If you still want us to repeat these details, ask us in/after class.

*Course website on Blackboard (<https://blackboard.cuhk.edu.hk>):*

11. *Check all the "announcements" from the first to the latest and at least before each class.*
12. Lecture materials, assignment questions, and grades will be released through the Blackboard website.
13. If you find mistakes in your grade record, you should report to TAs within 5 days after the grades have been released or we will not handle your correction requests. The grade record posted on Blackboard will be used for calculating your final grade.

**Grading:**

*Assignments (30%):*

14. There will be weekly or regular assignments after the add/drop period. The answers will ONLY be given in tutorial classes verbally.
15. Read CUHK's [statement about academic honesty](#) before submission of your assignments.

*Exam (70%)*

16. To be arranged by the University Examination Section during the exam period (read the [University Almanac](#) for details) and not controlled by me. (Don't ask me about the date and venue. I will never know earlier than you.)
17. You should follow the University regulations (including sick leave) about final examination. I have no discretionary power to change it. For absentees securing approvals by the University, they will be required to (i) attend another face-to-face exam that is (likely much) longer than the original exam, (ii) finish an individual project in a short period (in one day or two days), and/or (iii) finish extra homework in a short period (in one day or two days). For (ii) or (iii), the work should involve not less than 1500 words but not more than 5000 words.
18. Notice that **absentees are not allowed to choose only one of the options (i), (ii) or (iii) above.** In contrast, normally **they are required to take (i)+(ii) or (i)+(iii).** The choice is made by the lecturer, not the students. The rationale for having a longer exam in (i) is that we

cannot use the same exam paper (in the original exam) for absentees. In this case, it is hard to compare the abilities of the absentees with the students attending the original exam. Therefore, we need to collect more data from the absentees for our assessments of their abilities. This also explains why we will require them to take (i)+(ii) or (i)+(iii), not only a single option.

19. All exchange students are supposed to join the centrally arranged exam and are reminded that early departure is NOT a valid reason for not taking the exam and no makeup exam will be given for this reason.

**Course outline and suggested readings:**

The chapters or sections in the textbook relevant for each topic are given below. The topics below follow the textbook's treatments, but lecture presentations may not follow the list closely. The availability of notes and/or lecture coverage is indicated for the broad topic below.

<i>Topics</i>	<i>Pindyck &amp; Rubinfeld</i>	<i>Learning activities</i>
<i>Core topic 1. Demand-supply analysis</i>		
- Demand and supply and elasticity	1, 2, 4.4	Self-study notes & videos
- Welfare analysis for a competitive market	4.4, 9	
<i>Core topic 2. Consumer theory</i>		Lecture notes & presentations
- Preference and utility	3	
- Demand curve derivation	4	
<i>Core topic 3. The theory of firm</i>		Lecture notes & presentations
- Production	6	
- Cost-minimization	7	
- Profit-maximization	8.1-8.3	
- Perfect competition	8.4-8.8	
- Monopoly	10.1-10.4	
- Pricing with monopoly powers	11.1-11.2	
- Monopolistic competition and oligopoly	12	
- Game theory	13.1-13.3	
<i>Core topic 4. Choice under uncertainty</i>	5	Lecture notes & presentations
<i>Elective topics:</i>		To be provided
- Factor markets	14	
- More on market powers	10.1, 11.4, 11.6	
- More on oligopoly	12.2-12.3, 12.5	