Course Instructor: Hongsong Zhang
   Email: hszhang@hku.hk
   Class time: 2:00am-5:00pm, Friday. Classroom: ATC-B2
   Office Hours: 2:00pm-3:30pm, Thursday, or by appointment. Office: KKL 906

Teaching Assistant: Chenxue Hou
   Email: TBA
   Office Hours: TBA

Prerequisites:
   This course is designed as a core course for MECON students. The student is supposed
to have some basic knowledge on elementary calculus and probability theory. Knowledge on
basic economics is also helpful. The student is NOT permitted to register in this section, if
he/she has taken both intermediate microeconomics course (equivalent to Econ2101 or
Econ2113) and uncertainty/information economics course (equivalent to Econ706).

Textbooks:
   (8Ed), by Hal R. Varian.
Additional Reading:
3. Optional: “Microeconomic Theory”, by Andreu Mas-Colell, Michael Dennis Whinston,
   Jerry R. Green.

Class Website:
   The class web site is on Moodle at HKU Portal (under name: ECON6021). Class
announcements, forum, on-line tutorial and all other course-related materials will be made
available through the class web site only to the students registered for the class. On a regular
basis, I will update the web site, answer questions in the forum, and make myself available for
instant discussion, as the class proceeds.

Course Description, Objectives & Learning Outcomes:
   The object of this course is to give students a general overview of concepts, techniques
and analytical tools in microeconomics. In particular, the course is concerned with the
analysis of the choices consumers and producers make, and the interaction of these choices.
We will analyze the nature of equilibrium in competitive, monopolistic and oligopolistic
markets. We will also discuss game theory (study of strategic decision-making) and some of
its applications to economics.
Course Learning Outcome

Upon completion of this course, the student is expected to be able to
CLO1. Understand the basic concepts in microeconomics;
CLO2. Analyze economic problems graphically and mathematically;
CLO3. Solve (both constrained and unconstrained) optimization problems;
CLO4. Apply the theory and principles studied in the class to the real world applications;
CLO5. Be well prepared for other economics courses in the program.

Alignment of Program and Course Outcomes

<table>
<thead>
<tr>
<th>Program Learning Outcome</th>
<th>Course Learning Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLO1. Understanding of fundamental theories and new development in economics</td>
<td>CLOs 1, 2 and 3</td>
</tr>
<tr>
<td>PLO2. Mastering of skills in analyzing economic data</td>
<td>CLO 4</td>
</tr>
<tr>
<td>PLO3. Demonstration of ability to apply economic knowledge and analytical skills to address policy and business problems</td>
<td>CLOs 4 and 5</td>
</tr>
<tr>
<td>PLO4. Awareness of ethical concerns in economic issues</td>
<td>CLOs 4</td>
</tr>
<tr>
<td>PLO5. Mastering of communication skills</td>
<td>CLOs 1, 2, 3, and 4</td>
</tr>
</tbody>
</table>

Teaching and Learning Activities (TLA)

TLA1. (Lecture) Instructor will give lectures on major concepts and issues.
TLA2. (In-class and tutorial presentation and discussion) Students are expected to present their answers and engage in discussion during lecture and tutorial meetings. Most in-depth learning takes place when students actively engage themselves in discussions thought presenting and sharing their ideas.
TLA3. (Consultation) Both instructor and teaching assistant hold weekly consultation hours to answer students' questions.
TLA4. (Application and Exercise) Understanding the economic theory; applying the theory to solve economic problems in real world.

Method of Evaluation:

There will be one midterm exam and one final exam (to be scheduled by the school). They will count toward the course grade as follows:

<table>
<thead>
<tr>
<th>Assessment Method</th>
<th>Weighting</th>
<th>ILOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Homework</td>
<td>20%</td>
<td>CLOs 1, 2 and 3</td>
</tr>
<tr>
<td>2. Midterm</td>
<td>35%</td>
<td>CLOs 1, 2, 3, 4 and 5</td>
</tr>
<tr>
<td>3. Final Exam</td>
<td>45%</td>
<td>CLOs 1, 2 and 3</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Absence from the exams must be accompanied by a doctor's note for course grade reweigh. Please be advised that reasons from work can NEVER be acceptable and make-up exams are not possible under any circumstances.
Standards of Assessment
Definition and description of grades:
High distinction (A) Strong evidence of superb ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesis.
Distinction (B) Strong evidence of the ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesis.
Credit pass (C) Evidence of adequate ability to fulfill the intended learning outcomes of the course at low levels of learning such as describe and apply but not at high levels of learning such as evaluate and synthesis.
Pass (D) Evidence of basic familiarity with the subject.
Fail (F) Little evidence of basic familiarity with the subject.

Tentative Course Outline (Subject to Change):

Section 1: Consumer Theory
   a) Preference and Utility
   b) Utility Maximization and Indirect Utility Function
   c) Expenditure Minimization and Expenditure Function
   d) Slutsky Equation: Income Effect and Substitution Effect
   e) Aggregation and Market Demand
   f) Revealed Preference: from Data to Preference

Section 2: Producer Theory
   a) Production and Technology
   b) Profit Maximization and Profit Function
   c) Cost Minimization and Cost Function
   d) Supply Curves VS Cost Function
   e) R&D, Innovation and Productivity

Midterm Exam: TBA soon.

Section 3: Competitive Markets
   a) Partial Equilibrium
   b) General Equilibrium

Section 4: Non-Competitive Markets
   a) Monopoly
   b) Oligopoly and Game Theory
   c) Externality and Public Goods

Section 5: Uncertainty, Information and Contracts (if time permits)
   a) Uncertainty, Expected Utility and Insurance
   b) Asymmetric Information I: Adverse Selection and Screening
   c) Asymmetric Information II: Moral Hazard and Principal-Agent Theory

Final Exam: to be scheduled by the university
**Tips of Success:**
The following tips will help you succeed in this class as well as make the class more enjoyable and useful for all concerned.

**Attend class!** (MOST IMPORTANT): Exams and homework are usually going to be based on lectures and exercises we discuss in class. You should think of the book as a complement to the lectures which gives you more detail in some issues, but it is in no way substitute for classes. Some things that you have to know are not necessarily in the textbook (for example, current events, extensions of book material, etc.). By attending every lecture, you will have a good feel for what is important and what I don't.

**Participate in Class.** A class in which no one participates becomes extremely difficult to enjoy. I will ask you questions and encourage you to participate in the discussions. I also hope that you too ask questions and/or share personal economic experiences with the class.

**Do enough exercise:** although too much exercise is not necessary, it is very important to do enough exercise to better understand the concepts we discussed in class. It is also very helpful if you do the homework very carefully.

**Frequently check Moodle and your email.** I will post homework, summaries, practices and any other additional material on Moodle and I will let you know by email about important announcements.

**Keep in touch** throughout the length of the course. Don’t ever hesitate to come to my office hours or sending me an email if you have any trouble with whatever we’re studying in class.

**Special Rules for the Class:**
1. Turn off your cell phones or set its profile to be “vibrate”; be polite to me and your classmates. Other electronic devices such as notebook, iPad, etc., are not encouraged in class as well. If you must leave early, please let me know before the class starts.
2. Companion to class by any unregistered individual is prohibited.
3. The lecture sessions are periods dedicated to this course - not to finishing homework, not to extra-curricular activities, not to chatting with your friends.
4. In lectures, please ask questions and other observations as appropriate. Please feel free to ask for clarification if I am not making sense to you. Because the class is so large, however, those who wish to speak must raise their hands and be recognized. If you are speaking, speak loudly. If someone else is speaking, listen to him or her and see if you can answer the question or respond to the comment. I may call on you to attempt to answer a classmate's question. So, be prepared!
5. If you are speaking out of turn, and I judge your conversation to be distracting, I will ask you to leave the lecture. Please do not argue at that point. Feel free to come by my office and discuss it later. If you are talking loudly enough that I can hear you - regardless of the subject you are discussing - it is your responsibility to leave the lecture if I ask you to. Any student who disrupts the class may be subject to a penalty.

**Academic Conduct:**
The University Regulations on academic dishonesty will be strictly enforced! Please check the University Statement on plagiarism on the web ([http://www.hku.hk/plagiarism/](http://www.hku.hk/plagiarism/)).
Academic dishonesty is behavior in which a deliberately fraudulent misrepresentation is employed in an attempt to gain undeserved intellectual credit, either for oneself or for another. It includes, but is not necessarily limited to, the following types of cases:

(i) **Plagiarism:** The representation of someone else's ideas as if they are one's own. Where the arguments, data, designs, etc., of someone else are being used in a paper, report, oral presentation, or similar academic project, this fact must be made explicitly clear by citing the appropriate references. The references must fully indicate the extent to which any parts of the project are not one's own work. Paraphrasing of someone else's ideas is still using someone else's ideas, and must be acknowledged.

(ii) **Unauthorized Collaboration on Out-of-Class Projects:** The representation of work as solely one's own when in fact it is the result of a joint effort.

Where a candidate for a degree or other award uses the work of another person or persons without due acknowledgement:

(i) The relevant Board of Examiners may impose a penalty in relation to the seriousness of the offence;

(ii) The relevant Board of Examiners may report the candidate to the Senate, where there is prima facie evidence of an intention to deceive and where sanctions beyond those in (i) might be invoked.