

**Macao Polytechnic Institute**  
**School of Business**  
**Bachelor of Accounting**

**Module Outline**

**Academic Year 2020/2021 Semester 1**

<b>Learning Module</b>	Microeconomics		<b>Class Code</b>	ECON1100-115
<b>Pre-requisite(s)</b>	Nil			
<b>Medium of Instruction</b>	English		<b>Credits</b>	3
<b>Lecture Hours</b>	45 hours	<b>Lab/Practice Hours</b>	0 hour	<b>Total Hours</b> 45 hours
<b>Instructor</b>	Adrian Lao		<b>E-mail</b>	hhlao@ipm.edu.mo
<b>Office</b>	Rm. M548, Meng Tak Bldg, Main Campus		<b>Telephone</b>	8599-3294

**Description**

This course provides an introductory examination of microeconomics. Emphasis is placed on the market forces of supply and demand, the efficiency of markets, the economics of the public sector, firm behaviour and the organization of industry, and the markets for the factors of production. Topics include: Scarcity and choice, demand and supply, elasticity, household consumption behaviour, production and cost, market structure, perfect and imperfect competition, and wage rate determination.

**Learning Outcomes (Course Intended Learning Outcomes, CILOs)**

Upon completion of this course, students should be able to:

1. discuss what economic principles and models are;
2. explain how the economy coordinates interdependent economic actors through the market forces of supply and demand;
3. use the concepts of consumer and producer surplus to explain the efficiency of markets;
4. discuss how governments can sometimes remedy market failure;
5. analyze economic behaviors of perfectly competitive, monopolistic, monopolistically competitive, and oligopolistic firms;
6. examine some special features of labor markets.

## Content\*

<b>Topic</b>	<b>Chapter</b>	<b>Duration</b>
<b>Ten Principles of Economics</b> <ul style="list-style-type: none"><li>– How People Make Decisions</li><li>– How People Interact</li><li>– How the Economy as a Whole Works</li><li>– Conclusion</li></ul>	1	3 hours
<b>Thinking Like an Economist</b> <ul style="list-style-type: none"><li>– The Economist as Scientist</li><li>– The Economist as Policy Adviser</li><li>– Why Economists Disagree</li><li>– Let's Get Going</li></ul>	2	3 hours
<b>The Market Forces of Supply and Demand</b> <ul style="list-style-type: none"><li>– Markets and Competition</li><li>– Demand</li><li>– Supply</li><li>– Supply and Demand Together</li><li>– Conclusion: How Prices Allocate Resources</li></ul>	4	3 hours
<b>Elasticity and Its Application</b> <ul style="list-style-type: none"><li>– The Elasticity of Demand</li><li>– The Elasticity of Supply</li><li>– Three Applications of Supply, Demand, and Elasticity</li><li>– Conclusion</li></ul>	5	3 hours
<b>Consumers, Producers, and the Efficiency of Markets</b> <ul style="list-style-type: none"><li>– Consumer Surplus</li><li>– Producer Surplus</li><li>– Market Efficiency</li><li>– Conclusion: Market Efficiency and Market Failure</li></ul>	7	3 hours
<b>Externalities</b> <ul style="list-style-type: none"><li>– Externalities and Market Inefficiency</li><li>– Public Policies toward Externalities</li><li>– Private Solutions to Externalities</li><li>– Conclusion</li></ul>	10	3 hours
<b>Public Goods and Common Resources</b> <ul style="list-style-type: none"><li>– The Different Kinds of Goods</li><li>– Public Goods</li><li>– Common Resources</li><li>– Conclusion: The Importance of Property Rights</li></ul>	11	3 hours

<b>The Costs of Production</b> – What Are Costs? – Production and Costs – The Various Measures of Costs – Costs in the Short Run and in the Long Run – Conclusion	13	3 hours
<b>Firms in Competitive Markets</b> – What Is a Competitive Market? – Profit Maximization and the Competitive Firm’s Supply Curve – The Supply Curve in a Competitive Market – Conclusion: Behind the Supply Curve	14	3 hours
<b>Revision and Mid-term Test (Chapters 2, 4, 5, 7, 10, 11)</b>		3 hours
<b>Monopoly</b> – Why Monopolies Arise – How Monopolies Make Production and Pricing Decisions – The Welfare Cost of Monopolies – Price Discrimination – Public Policy toward Monopolies – Conclusion: The Prevalence of Monopolies	15	3 hours
<b>Monopolistic Competition</b> – Between Monopoly and Perfect Competition – Competition with Differentiated Products – Advertising – Conclusion	16	3 hours
<b>Oligopoly</b> – Markets with Only a Few Sellers – The Economics of Cooperation – Public Policy toward Oligopolies – Conclusion	17	3 hours
<b>The Markets for the Factors of Production</b> – The Demand for Labor – The Supply of Labor – Equilibrium in the Labor Market – The Other Factors of Production: Land and Capital – Conclusion	18	3 hours
<b>Final Exam</b>		3 hours
<b>Total Contact Hours:</b>		<b>45 hours</b>

*\*The above are preliminary time assignment for each topic, and would be modified in accordance with the actual progress in class in the light of students’ performance and their progress of understanding under the instructor’s discretion. Students should read the required chapter(s) BEFORE coming to class and are responsible for ALL materials covered in class AND in the textbook.*

## Teaching Method

	<b>CILOs</b>	<b>Description</b>
1.	CILOs 1-6	Interactive Lectures <ul style="list-style-type: none"><li>• Lectures: In-depth coverage of economic theories and applications is presented with slides and other additional illustration materials if necessary.</li><li>• Q&amp;As: Time is allowed to raise questions from both sides (instructor and students).</li></ul>
2.	CILOs 1-6	In-class Discussions and Exercises <ul style="list-style-type: none"><li>• In-class discussions and exercises will be used to enhance students' understanding of both economic theories and applications.</li></ul>

## Attendance

Attendance during the course must meet the attendance requirements as stated in the “Academic Regulations Governing Bachelor’s Degree Programmes of Macao Polytechnic Institute”. Students who have less than the required attendance for the enrolled subject are not eligible to attend the final or re-sit examinations and will be given an “F” as their final grade.

## Assessment

	<b>CILOs</b>	<b>Item</b>	<b>Percentage</b>
1.	CILOs 1-6	Q&As	-
2	CILOs 1-5	Assignment(s)/Quiz(zes)	25%
3.	CILOs 1-4	Mid-term Test	25%
4.	CILOs 1-6	Final Exam	50%
		Total:	100%

## **Plagiarism Policy**

It is student's responsibility to ensure that his/her assignment has been checked by *Turnitin* software, and the similarity score given by *Turnitin* software cannot be higher than 30%. However, a special case can be determined by the instructor.

## **Teaching Materials**

### **Required Textbook**

Mankiw, N. G. (2020). *Principles of Economics*. 9<sup>th</sup> edition. Cengage Learning.

### **Reference**

Baumol, William J. and Alan S. Blinder. *Microeconomics: Principles and Policy*. 12<sup>th</sup> edition. Cengage Learning.

Bernanke, Ben and Robert Frank. *Principles of Microeconomics*. 5<sup>th</sup> edition. McGraw-Hill.

Case, Karl E., Ray C. Fair and Sharon Oster. *Principles of Microeconomics*. 11<sup>th</sup> edition. Prentice Hall.

Nordhaus, William D. and Paul A. Samuelson. *Economics*. 19<sup>th</sup> edition. McGraw-Hill.

Taylor, John B. and Akila Weerapana. *Principles of Microeconomics*. 7<sup>th</sup> edition. Cengage Learning.

<http://www.cengagebrain.com>

*The Economist*