

**Lingnan University**  
**Department of Marketing and International Business**  
**BUS 105 Microeconomics for Business**  
**Course Description and Schedule**  
**Second Term, 2008-2009**

Lecturer: Dr CHOW Kong-Wing, Clement (BU-213, Tel: 2616 8370)  
Office Hours: Wed: 3:00pm-5:00 pm, Fri: 1:30-3:30 pm

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### **Course Objectives**

This course aims to give students a basic understanding of micro-economic concepts and the economic environment within which businesses operate. It enhances students' analytical skill in applying economic concepts to study current economic and business problems. Through preparation and participation in discussions, they also acquire skills in time management, problem-solving and oral presentation.

### **Aims**

This course aims to give students a good understanding of economic concepts and the economic environment within which businesses operate. It enhances students' analytical skill in applying economic concepts to the study of current economic and business problems. Through preparation and participation in discussions, they also acquire skills in time management, problem-solving and oral presentation.

### **Learning Outcomes**

- To give students a basic understanding of economic concepts and the economic environment within which business firms operate.
- To provide students with the analytical tools they need in order to understand the ways in which a business is affected by its economic environment.
- To enhance students' analytical skill in applying economic concepts to study current economic and business problems and policy issues.

### **Measurement of Learning Outcomes**

- Through preparation and participation in discussions, they also acquire skills in time management, problem-solving and oral presentation.
- In-class discussion of group activities such as cases and debates, etc. and recent Hong Kong economic events or policies helps students to apply their economic concepts to study current economic and business problems in Hong Kong or in this region.
- Problem-based assignments require students to apply their conceptual knowledge to solve economic questions and problems.
- Final examination requires students to apply past learning in addressing examination questions under microeconomic and macroeconomic perspectives.

## Essential Textbook

Parkin, Michael, *Economics*, 8<sup>th</sup> ed., Addison Wesley, 2008.

## Supplementary Textbooks

Case, Karl E. and Ray C. Fair (2007). *Principles of Economics*. 8<sup>th</sup> Ed. Prentice Hall.

Cheng, Leonard K. and Wu, C., *Competition Policy and the Regulation of Business*, City University Press, 1998.

Ho, Lok-Sang (1997). *Health Care Delivery and Financing: A Model for Reform*. City University of Hong Kong Press.

Lui, Hon-Kwong (1997). *Income Inequality and Economic Development*. City University of Hong Kong Press.

Hirshleifer, Jack (1998). *Price Theory and Applications*. 6<sup>th</sup> Edition. Prentice Hall.

Samuelson, Paul. A. and William D. Nordhaus, *Microeconomics*, 16<sup>th</sup> Edition, McGraw-Hill, 1998.

Suen, Wing and Chan, William, *Labour Market in a Dynamic Economy*, City University Press, 1997.

## International News and Business Magazines

The Economist  
Fortune  
Forbes International  
Time

## Newspapers (International and Local)

South China Morning Post  
Hong Kong Economic Journal (信報)  
Hong Kong Economic Times (經濟日報)  
Asian Wall Street Journal  
Financial Times

## Teaching Approach

The basic method is through lectures coupled with assignments, cases and projects. Students will be required to apply economic concepts to analyse current business issues that affect Hong Kong and/or its major trading partners.

## Course Assessment

Examination:	50%
Group debate:	10%

Midterm Test, 30/3, 4:30-5:30pm, MBG06 (tentative):	25%
Economic Experiment:	8%
Participation	7%

First, students are divided into 8 groups to handle the following activities:

- (1) **Group debate:** There are four topics shown in the lecture schedule to be discussed. For each topic, there will be two groups participating in the debate. One group take 'pro' position and the other group take 'con' position. The allocation of debate topics and the sides of debate are by lottery. The first member of 'pro' group addresses their views first and then followed by the first member of 'con' group. Then the second member of 'pro' group presents, etc. Each member (except the last member) of each group presents alternatively and has three minutes to present. The last member of each group will have 3+2 minutes to present and conclude their views. Then the rest of students can join in to raise questions on either side. The whole debate should finish within 40-45 minutes. Grading will be based on the content and presentation performance of both the individual and group together. **On the day of debate, each group should provide the instructor a brief summary of arguments.**
- (2) **Economic experiment:** during economic experiment class or group discussion class, students of each group will sit together and discuss the questions of the relevant materials listed in the lecture schedule and present their views.
- (3) **Midterm test:** It will tentatively held from 4:30-5:30pm on 30 Mar at MBG06. It consists of 40 MC questions and covers from Chapter 1, 3-8, and 10.
- (4) **Problem sets:** Problem sets are optional. Students are encouraged to work on odd-numbered questions in their textbook and their answers are downloadable on my course website or on the publisher website: [www.myeconlab.com](http://www.myeconlab.com). **Those students who have little exposure to Economics** in their secondary schools usually find the course more difficult to follow. Therefore, they are advised to work on them.
- (5) **Questions & Exercises:** On my course website, there are some further questions from the end of each chapter of the textbook. Students may work on them if they prefer to have more exercises. They are not compulsory and will not be counted into the assessment of the coursework. Finished questions handed in will be graded by the lecturer.
- (6) **Participation:** Students are required to have at least **75%** of attendance rate. You are actively encouraged to ask questions in class. Students who display in interest in the subject score higher in participation. Taking an active part in group discussions or clear leadership in your group debates / presentations also adds to participation marks. You lose participation marks for low attendance, consistent lateness, disturbing behaviour etc. However, **high attendance does not mean a high participation mark.**
- (7) **Dishonest Practice:** Students shall be aware of the University regulations about dishonest practice in course work and the possible consequences as stipulated in the Regulations Governing University Examinations.

## Lecture Schedule

Wk	Reading in M. Parkin	Seminar Activities in 2nd lecture class of each week
1	Introduction: Ch. 1	
2	Chinese New Year Holidays	
3	Demand and Supply: Ch. 3	
4	Elasticity: Ch. 4	
5	Efficiency, Equity and Markets in Action: Ch. 5-6	
6	Utility and Demand: Ch. 7	Econ. Experiment: equity & efficiency
7	Utility, Possibility, Preference, and Choices: Ch. 8	Group discussion: p.142-143
8	Output and Costs: Ch. 10	Econ. Experiment: Budget line (8%)
9	Perfect competition: Ch. 11	Debate topic (1)
10	Monopoly: Ch. 12	Debate topic (2)
11	<b>Mid-term test</b> , 30/3, 4:30-5:30pm MBG06 (tentative)	Econ. Experiment: Externality
12	Monopolistic Competition and Oligopoly: Ch. 13	Group discussion: p. 280-281
13	Monopolistic Competition and Oligopoly: Ch. 13	Debate topic (3)
14	Demand and Supply in Factor Markets: Ch. 17 (optional)	Debate topic (4)
15	Revision	

*This schedule is only indicative, it may be faster or slower depending on the style of individual instructors. Debate topic:*

- (1) Introduction of Goods and Services Tax (GST) by the HK government
- (2) Legislating the minimum wage and maximum working hour (per week) laws for workers
- (3) University tuition fees should be proportional to the unit cost of each discipline, e.g. medical students pay higher while arts, business and social sciences students pay lower.
- (4) Building the third runway in the HK international Airport.