ECO3201 Intermediate Microeconomics
(CRN:377)

Prerequisite(s): 
(a) ECO2101 Introduction to Economics, or  
(b) Level 3 in HKDSE Economics, or  
(c) BUS2105 Microeconomics for Business and BUS2108 Global Business Environment

This course provides a higher level study in microeconomics. It introduces students to modern microeconomic theory. We will begin by studying the theories of the consumer and the producer. Next we will combine both in the study of individual markets, including perfect competition and monopoly. The course will end with the analysis of some of the circumstances in which competitive markets fail to produce efficient allocations. Although the mathematical sophistication required to take this course is minimal, this is a highly analytical and rigorous course. Students will be expected to understand every step in every argument.
**ECO 3205: Economics of Taxation and Transfers**  
**(CRN: 383)**

**Department of Economics**

**Course Recommendation**  
**(Term 2, 2015-2016)**

This course explains the economics and practical design of taxation and transfer programs. Major taxes used in modern economies will be examined: how they affect economic decisions; how negative effects can be minimized; and how taxes impact the poor and income distribution. Problems of market failure, in particular concerning the environment, will be explored, asking how taxes can be used to improve outcomes. On all topics illustrations will be drawn from extensive experience with tax design and tax administration in countries around the world.

After completion of the course students should understand:

a. How different kinds of taxes affect economic performance;
b. How taxes affects the poor and the distribution of income in society;
c. How taxes can address market failure, including on the environment;
d. The efficient way to raise tax revenues taking into account the impacts of the taxes on the economy.

Prerequisite(s):
(a) ECO2101 Introduction to Economics, or (b) Level 3 in HKDSE Economics, or (c) Grade D or above in AL Economics, or (d) BUS2105 Microeconomics for Business and BUS2108 Global Business Environment.
Course Recommendation (Term 2, 2015-2016)

ECO3216 Behavioural Economics (Major Elective) (CRN: 5338)

Prerequisite(s): (a) ECO2101 Introduction to Economics, or (b) Level 3 or above in HKDSE Economics, or (c) BUS2105 Microeconomics for Business and BUS2108 Global Business Environment

This course will introduce basic concepts and theories to explain people’s irrational behavior in terms of economic activities. We observe that individuals and markets may behave irrationally, sometimes for extended periods of time. We will use psychology to explain these behaviors which are not consistent with the classical economic rational models. We will also apply theories to explain so-called anomalies, which have been frequently observed in financial markets. In short, this course will help to improve our conventional understanding about market efficiency.
Course Recommendation (Term 2, 2015-2016)

ECO3218 Economic Development (CRN389)

Prerequisite(s):
(a) ECO2101 Introduction to Economics, or (b) Level 3 in HKDSE Economics, or (c) BUS2105 Microeconomics for Business and BUS2108 Global Business Environment

Why in this world over 1 billion people still suffer from extreme poverty and live with less than US$1.25 per day? Why every year nearly 4 million people in low-income countries die from malaria, diarrhea and tuberculosis when there are relatively easy ways that can effectively prevent and cure them? Why many young children in low-income countries do not go to school but instead work as child labor? What are the key factors and constraints of extreme poverty and suffering? What can be done? What should be done?

Education?

Infrastructure investment?

Agricultural productivity?

Women empowerment?

And more…
Course Recommendation (Term 2, 2015-2016)

ECO4101 Economics of Law (Major Elective) (CRN394)

Prerequisite: ECO2101 Introduction to Economics

Economics provides a scientific theory to predict the effects of legal sanctions on human behavior. This course applies economic analysis to study law and legal institutions. In economics, it is often assumed that individuals act with rationalism. Yet behaviour based on individual rationalism may not necessarily result in group rationalism. Law is concerned with the resolution of conflicting interests. While a good law may help improve the interests of all or most parties, a bad law may do the opposite. The course will explore how law and legal institutions may contribute to the smooth functioning of society and markets, and examine the social and economic costs when they are misused or abused.

Like air, law is all around us, and permeates all aspects of human life. Legally-driven economic events and developments can be baffling without an appreciation of the legal engine behind. Conversely, many legal events and developments can only be understood in the context of economic forces. In contrast to theoretical economics courses, this course will use the logical and argumentative method more than the mathematical. Instead of abstract conceptualizations, real-life cases will be studied in a way to bring realism to familiar economic theories. In the process, students will learn important principles of law, for which they will find useful applications in their careers and daily life. By adding to their understanding of the legal-economic environment, the course will equip students to become enlightened citizens of our modern society.