

Subject Description Form

| | |
|--|--|
| Subject Code | AF2613 |
| Subject Title | Microeconomics |
| Credit Value | 3 |
| Level | 2 |
| Pre-requisite / Co-requisite/ Exclusion | None |
| Objectives | This subject contributes to the achievement of the BSc in Actuarial Science learning outcomes by enabling students to demonstrate creative ability to present business and societal problems in practice (outcome 6), and to identify, define and formulate problems in a systematic approach to generate workable solutions to problems in insurance, financial services, risk management and related areas (outcome 7). |
| Intended Learning Outcomes | <p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> Understand and apply the analytical tools in order to analyze economic issues. Understand the basic framework within which the behaviors of economic agents are explained, such as consumer behavior and different market environments that firms operate. Demonstrate an understanding of decision-making under uncertainty. |
| Subject Synopsis/ Indicative Syllabus | <p>The Nature and Scope of Economics Scarcity, choice and opportunity costs. Production Possibility Curve. The Cost-Benefit Principle. The Role of Economic Models.</p> <p>The Price Mechanism Demand, supply and market equilibrium. Elasticity and its applications.</p> <p>The Theory of Consumer Behavior The marginal utility theory. The concept of consumer surplus. The indifference curve approach. Income and substitution effects.</p> <p>The Theory of the Firm Theory of cost and production. Decision making under short run and long run. Economies of scale. Price and output under profit maximization.</p> <p>Market Structure Perfect competition, monopoly, monopolistic competition and oligopoly. Market structure and economic efficiency. Game theory.</p> <p>Economics of Information Risk and Uncertainty, Asymmetric Information, Adverse Selection, and Moral Hazard</p> |

| | | | | | |
|--|---|-------------|--|---------|---|
| | Public Economics Externalities and Property Rights, Public Goods and Taxation. | | | | |
| Teaching/Learning Methodology | Lectures will be used for introducing the key concepts about the principles of microeconomics. During tutorials, students will be divided into smaller groups which will form the focus of activities including presentations and discussion. A variety of assessment tools will be used, including presentation, written report, participations in tutorials, test and examination designed to develop critical thinking as well as analytical and communication skills. | | | | |
| Assessment Methods in Alignment with Intended Learning Outcomes | Specific assessment methods/tasks | % weighting | Intended subject learning outcomes to be assessed (Please tick as appropriate) | | |
| | | | a | b | c |
| | 1. Attendance and Participation | 10 % | √ | √ | √ |
| | 2. Presentation of problem set questions | 10 % | √ | √ | √ |
| | 3. Assignment | 5 % | √ | √ | √ |
| | 4. Midterm examination | 25 % | √ | √ | √ |
| | 5. Final Examination | 50 % | √ | √ | √ |
| | Total | 100 % | | | |
| | Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes: | | | | |
| Student Study Effort Required | Class contact: | | | | |
| | ▪ Lecture | | | 28 Hrs. | |
| | ▪ Tutorial | | | 14 Hrs. | |
| | Other student study effort: | | | | |
| | ▪ Self study and homework preparation | | | 42 Hrs. | |
| | Total student study effort | | | 84 Hrs. | |
| Reading List and References | Frank Robert and Ben Bernanke, Principles of Economics, McGraw-Hill International Edition, 2007, 3 rd ed. | | | | |