

Tutorial Letter 101/3/2018

Microeconomics
ECS2601

Semesters 1 and 2

Department of Economics

This tutorial letter contains important information
about your module.

BARCODE

CONTENTS

	<i>Page</i>
1 INTRODUCTION	4
2 PURPOSE AND OUTCOMES	4
2.1 Purpose	4
2.2 Outcomes	4
3 LECTURER(S) AND CONTACT DETAILS.....	5
3.1 Lecturer(s)	5
3.2 Department.....	5
3.3 University	5
4 RESOURCES	6
4.1 Prescribed books	6
4.2 Recommended books	6
4.3 Electronic reserves (e-reserves)	6
4.4 Library services and resources information.....	6
5 STUDENT SUPPORT SERVICES.....	7
5.1 Contact with fellow students: study groups	7
5.2 <i>myUnisa</i>	7
5.3 Discussion classes.....	7
5.4 Tutorial support programme.....	7
6 STUDY PLAN.....	8
7 PRACTICAL WORK AND WORK-INTEGRATED LEARNING.....	10
8 ASSESSMENT	11
8.1 Assessment criteria.....	11
8.1.1 Examination mark	11
8.1.2 Final mark.....	11
8.2 Assessment plan	12
8.3 Assignment numbers	12
8.3.1 General assignment numbers	12
8.3.2 Unique assignment numbers	12
8.4 Assignment due dates.....	13
8.5 Submission of assignments	13
8.6 The assignments	14
8.7 Other assessment methods	30

8.7.1	Alternative assessment to assist students who qualify for final year (FI) concessions.....	30
8.8	The examination	30
8.8.1	Examination admission	30
9	FREQUENTLY ASKED QUESTIONS	30
9.1	Administrative questions	30
10	SOURCES CONSULTED	32
11	IN CLOSING.....	32
12	ADDENDUM.....	32

Dear Student

1 INTRODUCTION

We are pleased to welcome you to the second year Microeconomics module. This is one of the most important tutorial letters for this module, so read it carefully. We hope you will find the module both interesting and rewarding. You will be well on your way to success if you start studying early in the semester and resolve to do both the assignments properly. Doing the assignments is a vital part of the course.

You will receive a number of tutorial letters during the semester. A tutorial letter is our way of communicating with you regarding teaching, learning and assessment.

In this tutorial letter, you will find the assignment questions, information on assessment criteria and student support services, as well as instructions for the preparation and submission of your assignments. The tutorial letter also provides all the information you need regarding the prescribed study material, other course-related resources and the way to obtain them. Please study all the information carefully and make sure that you obtain the prescribed material (prescribed book) as soon as possible!

We also included certain general and administrative information about this module. Please study the relevant sections of the letter carefully.

You are advised to read all the tutorial letters you receive during the semester immediately and carefully, as they always contain important and, sometimes, urgent and critical information.

We hope that you will enjoy this module and wish you all the best!

2 PURPOSE AND OUTCOMES

2.1 Purpose

Tutorial Letter 101 contains important information about the scope of the work, the resources and the assignments for the module. We urge you to have it readily available when you are working through the study material, preparing your assignments, preparing for the examination and addressing questions to your lecturers. The main purpose of this tutorial letter is to help you navigate your way to understanding the module content as well as to help you with important administrative procedures in order for you to pass the module.

2.2 Outcomes

Studying microeconomics is like building a model, say of a ship. The more you understand the concepts, the better your model will look. All the concepts you study are interrelated. In the end, they will help you build a clear, neat and sensible model of microeconomics.

More specifically, the main outcomes of this module are that you acquire a thorough knowledge of the following:

- the role of microeconomics in the economy
- (through revision) demand and supply, as well as the elasticity theories
- consumer behaviour, using the indifference curve map and income constraint approaches
- production theory, using production functions based on isoquants and isocosts to derive cost curves
- expanded theories on perfect competition, monopoly, monopolistic competition and oligopoly

For assessment purposes, you should be able to describe, explain and discuss these tools and theories, as well as apply them to policy-related problems. More detailed module outcomes are found at the beginning of each learning unit in the study guide (MO001).

3 LECTURER(S) AND CONTACT DETAILS

3.1 Lecturer(s)

As the lecturer responsible for this module, I am available to assist you with any enquiries concerning the prescribed content. My contact details are as follow:

LECTURER'S NAME	BUILDING & OFFICE NUMBER	TELEPHONE NUMBER	Email ADDRESS
Breytenbach, A. Ms	Club One Room 1-11	(012) 433 4706	breyta@unisa.ac.za
Harmse, C. Prof	Club One Room 2-19	-	charmse@mweb.co.za

You can also contact me by e-mail via *myUnisa*.

All queries that are not of a purely administrative nature **but are about the content of this module** should be directed to us. Please have your study material with you when you contact us.

3.2 Department

The Department of Economics has moved to Hazelwood. The physical address is Club One Building, Corner of Dely Road and Pinaster Avenue, Hazelwood, Pretoria.

You can also contact the department's coordinator, Mrs Mpho Mudau at 012 433 4686.

3.3 University

If you need to contact the university about matters not related to the content of this module, please consult the publication *my Studies @ Unisa*, which you received with your study material. This brochure contains information on how to contact the university (e.g., who to write to for different queries, important telephone and fax numbers, addresses and details of the times certain facilities are open).

In the table below, we provide some important e-mail addresses for the departments that you might liaise with.

Department	E-mail address
Despatch, study material	despatch@unisa.ac.za
Enquiries about prescribed books	vospresc@unisa.ac.za
Assignments	assign@unisa.ac.za
Finance	finan@unisa.ac.za
Examinations	exams@unisa.ac.za
Aegrotat exams	aegrotats@unisa.ac.za

PLEASE NOTE:

Your lecturers cannot help you with missing study material. Therefore, use the contact numbers in the table above, or numbers provided in the brochure *my Studies @ Unisa*. If you have access to the internet, you can view and download the tutorial letters for the modules for which you are registered on the university's online campus, *myUnisa* (under the official study material folder) at <http://my.unisa.ac.za>. You can also download MO001 (previously known as the study guide) at <http://my.unisa.ac.za> under the additional resources folder.

4 RESOURCES

4.1 Prescribed books

Your prescribed book for this module is:

Pindyck, RS & Rubinfeld, DL. 2009. *Microeconomics for UNISA*. 7th edition. London: Pearson Education International.

The prescribed book is available at prominent booksellers nationally. You can also consult the list of official booksellers and their addresses in the publication *my Studies @ Unisa*. Please note that the prescribed textbook, ***Microeconomics for UNISA***, is specifically printed for Unisa students, which in fact is equivalent to the 7th edition.

4.2 Recommended books

There are a number of basic microeconomic textbooks that cover all the topics you will study in this course. If you do not understand a concept in the prescribed text, consult an alternative basic textbook and see if a different explanation helps you to understand it.

4.3 Electronic reserves (e-reserves)

The module has no e-reserves.

4.4 Library services and resources information

For brief information, go to www.unisa.ac.za/brochures/studies

For detailed information, go to <http://www.unisa.ac.za/library>. For research support and services of personal librarians, click on "Research support".

The library has compiled a number of library guides:

- finding recommended reading in the print collection and e-reserves – <http://libguides.unisa.ac.za/request/undergrad>
- requesting material – <http://libguides.unisa.ac.za/request/request>
- postgraduate information services – <http://libguides.unisa.ac.za/request/postgrad>
- finding, obtaining and using library resources and tools to assist in doing research – http://libguides.unisa.ac.za/Research_Skills
- how to contact the library/finding us on social media/frequently asked questions – <http://libguides.unisa.ac.za/ask>

5 STUDENT SUPPORT SERVICES

For information on the various student support systems and services available at Unisa (e.g. student counselling, tutorial classes, language support and support for students with disabilities), please consult the brochure *my Studies @ Unisa*, which you received with your study material.

5.1 Contact with fellow students: study groups

It is advisable to have contact with fellow students. One way to do this is to form study groups. The addresses of students in your area may be obtained from the following department:

Directorate: Student Administration and Registration
PO Box 392
Unisa
0003

You can also form the study groups online via *myUnisa*'s discussion forums, which are discussed below.

5.2 *myUnisa*

If you have access to a computer that is linked to the internet, you can quickly access resources and information from the university. The *myUnisa* learning management system is Unisa's online campus that will help you to communicate with your lecturers, e-tutors, with other students and with the administrative departments of Unisa – all through a computer and the internet.

To go to the *myUnisa* website, start at the main Unisa website, <http://www.unisa.ac.za>, and then click on the "Login to *myUnisa*" link on the right-hand side of the screen. This should take you to the *myUnisa* website. You can also go there directly by typing in <http://my.unisa.ac.za>.

Please consult the publication *my Studies @ Unisa* for more information on *myUnisa*.

Registering on *myUnisa* and visiting the site frequently will be vital to your successful study of the module. For example, we as lecturers will be interacting with you via the site and will post additional resources online. Important information will also be communicated via announcements on *myUnisa* on a regular basis.

5.3 Discussion classes

As decided by Unisa management, no discussion classes will be conducted by your lecturers in 2018. In regions where there are an appropriate contact tutor (face-to-face tutor) and enough students to form a contact tutor group, students will be able to attend face-to-face classes conducted by the tutors. Students in this module will be linked to an e-tutor on *myUnisa*. Such tutors will support you in your studies.

5.4 Tutorial support programme

Unisa offers '**face-to-face**' tutor services for students as additional academic support at the various Unisa regional learning centres throughout the country.

A tutorial is an organised session where students and tutor(s) meet regularly at a common venue and at scheduled times to discuss course material. The main purpose of the tutorial services is to facilitate student learning by developing the student's independent learning skills and helping students to become motivated and independent learners. Tutorials help the students to develop and improve their learning experience and academic performance through interaction with the tutor and fellow students. Interested students are advised to consult a learning centre closest to them to enrol for tutorials. For further information on learning centres and tutorials, consult the brochure *my Studies @ Unisa*.

NB: To enrol for 'face-to-face' tutorials, you must contact the Unisa regional learning centre nearest to you directly. The Department of Economics cannot assist you in this respect.

Note that tutors are not necessarily available for all modules and/or at all learning centres. There has to be an appropriate person available to be appointed as a face-to-face tutor and there should be an adequate number of students to form a tutor group. The Department of Economics has no means of providing you with any tutorial support if you did not follow the above-mentioned steps.

All students will be allocated to an **e-tutor**. The Information and Communication Technology Department of Unisa will inform you whether and when you have been allocated to an e-tutor group.

6 STUDY PLAN

Use your *my Studies @ Unisa* brochure for general time management and planning skills.

Below are specific guides for your study plan or schedule for this module, for both semesters in 2018. The study plans are to help you work consistently and systematically. Do your best to adhere to the programme and the dates indicated.

If you are registered for the first semester, do your best to use the following guide.

Students registered for first semester:

Week number	Week study	Week begins	Study task (refer to study guide)	Study hours
1		2 January	Register	
2		8 January	Register	
3	1	15 January	Learning units 1 and 2	6
4	2	22 January	Learning unit 3	8
5	3	29 January	Learning unit 4	8
6	4	5 February	Learning unit 6 (omit learning unit 5)	8
7	5	12 February	Learning unit 7	8
8	6	19 February	Learning unit 8	8
9	7	26 February	Complete and post compulsory Assignment 01 (closing date 8 March 2018). Assignment 01 is based on learning units 1–7. Learning unit 9	14
10	8	5 March	Learning unit 10	8
11	9	12 March	Learning unit 11	8
12	10	19 March	Learning unit 12 (omit learning units 13–18)	8
13	11	26 March	Complete and post Assignment 02 (closing date 5 April 2018). Learning units 8–12 apply to Assignment 02.	6
14	12	2 April	Revision	6
15	13	9 April	Revision	8
16	14	16 April	Revision	8
17		23 April	Revision. Complete the examination paper as posted on <i>myUnisa</i> . All learning units apply.	8
18		30 April	Examination period	
19		7 May	Examination period	
20		14 May	Examination period	
21		21 May	Examination period	
Total number of hours				120

If you are registered for the second semester, do your best to use the following guide.

Students registered for second semester:

Week number	Week study	Week begins	Study task (refer to study guide)	Study hours
1		28 May	Register	
2		4 June	Register	
3		11 June	Register	
4		18 June	Register	
5	1	25 June	Learning units 1 and 2	6
6	2	2 July	Learning unit 3	8
7	3	9 July	Learning unit 4	8
8	4	16 July	Learning unit 6 (omit learning unit 5)	8
9	5	23 July	Learning unit 7	8
10	6	30 July	Complete and post compulsory Assignment 01 (closing date 8 August 2018). Assignment 01 is based on learning units 1–7. Learning unit 8	14
11	7	6 August	Learning unit 9	8
12	8	13 August	Learning unit 10	8
13	9	20 August	Learning unit 11	8
14	10	27 August	Learning unit 12 (omit learning units 13–18)	8
15	11	3 September	Complete and post Assignment 02 (closing date 13 September 2018). Learning units 8–12 apply to Assignment 02.	6
16	12	10 September	Revision	6
17	13	17 September	Revision	8
18	14	24 September	Revision	8
19		1 October	Revision. Complete the examination paper as posted on <i>myUnisa</i> . All learning units apply.	8
20		8 October	Examination period	
21		15 October	Examination period	
22		22 October	Examination period	
23		29 October	Examination period	
Total number of hours				120

7 PRACTICAL WORK AND WORK-INTEGRATED LEARNING

You are not required to complete any practical work or work-integrated learning in order to pass this module.

8 ASSESSMENT

8.1 Assessment criteria

Assessment criteria used for the assignments will be done as follows:

For this module, you are expected to complete and submit two multiple-choice question (MCQ) assignments (i.e. formative assessment). The multiple-choice questions in Assignments 01 and 02 will be marked electronically in accordance with mark-reading 'masters' provided to the Assignment section by the module leader. No marks will be deducted for incorrect answers.

The submission of Assignment 01 is compulsory! You have to submit this assignment to be allowed to write the examination. The two assignments have equal weightings. The first assignment (Assignment 01) counts 50%, while the second assignment (Assignment 02) counts 50% of your semester mark. The semester mark then makes up 20% of the final mark.

If an assignment is not submitted, or is submitted late (for whatever reason), no marks can be awarded. The following examples show how the semester mark is calculated.

Student A

Assignment	Mark achieved	Percentage (%)	x weight	Semester mark (%)
01	6/20	30	x 0.5	15
02	12/20	60	x 0.5	30
Semester mark total				45

Student B

Assignment	Mark achieved	Percentage (%)	x weight	Semester mark (%)
01	10/20	50	x 0.5	25
02	Submitted late or not submitted	0	x 0.5	0
Semester mark total				25

8.1.1 Examination mark

The percentage achieved in the examination is used in the calculation of your final mark. A minimum mark of 40% is required for the examination. If you do not achieve at least 40% for the examination, your semester mark will not form part of your final mark. In that case, your final mark will be made up of the examination mark only.

8.1.2 Final mark

The final mark is calculated as follows:

Semester mark (20%) + examination mark (80%)

For example:

Suppose your semester mark is 45% and you get 54% in the examination. Your final mark will be:

$$\begin{aligned}
 &(45 \times 20\%) + (54 \times 80\%) \\
 &= (45 \times 0.2) + (54 \times 0.8) \\
 &= 9 + 43.2 \\
 &= 52.2\%
 \end{aligned}$$

Bear in mind that, though admission to the examination is obtained by submitting Assignment 01 only, it would be to your advantage to also prepare and submit Assignment 02 in time. Evidence shows that students are more likely to pass the course if they submit both assignments.

- If your final mark (as calculated above) is 50%, you **pass** ECS2601.
- If your final mark (as calculated above) is less than 50%, but between 40% and 49%, you do not pass, but qualify for the **supplementary examination**. If you qualify for the supplementary, your semester mark will not count towards your final mark.
- If your final mark (as calculated above) is less than 40%, you fail and will have to reregister for this module.

Please note: The applications for and the administration of the re-marking of examination scripts are handled solely by the Examinations Department and **not by academic departments**.

8.2 Assessment plan

Assessment will be done by the module leader and, where applicable, the module team and/or the examiner(s). The name(s) of examiner(s) will also be indicated on examination question papers.

8.3 Assignment numbers

8.3.1 General assignment numbers

Assignments are numbered consecutively per module, starting from 01. A student registered for this module in either semester will be required to submit two assignments (01 and 02) in the form of MCQs. These assignments are included in this tutorial letter.

8.3.2 Unique assignment numbers

In addition to the general assignment number (e.g. 01 or 02) each assignment (multiple-choice questions) must have its own unique assignment number (e.g. 102717). In this module assignments 01 and 02 consist of only multiple-choice questions and therefore must be completed on a marking-reading sheet with an own unique assignment number.

First semester: Assignment 01: **No: 766235**
 Assignment 02: **No: 837954**

Second semester: Assignment 01: **No: 616297**
 Assignment 02: **No: 835615**

8.4 Assignment due dates

Semester 1: Assignment Submission Dates

Assignment number	Unique number	Closing date	Contents of assignments	Type of assignment
01	766235	8 March 2018	Learning Units 1 to 7	Multiple-choice
02	837954	5 April 2018	Learning Units 8 to 12	Multiple-choice

Semester 2: Assignment Submission Dates

Assignment number	Unique number	Closing date	Contents of assignments	Type of assignment
01	616297	8 August 2018	Learning Units 1 to 7	Multiple-choice
02	835615	13 September 2018	Learning Units 8 to 12	Multiple-choice

8.5 Submission of assignments

If you have access to the internet, you can view and download the tutorial letters for the modules for which you are registered on the university's online campus, *myUnisa* (under the official study material folder) at <http://my.unisa.ac.za>. You can also download MO001 (previously known as the study guide) at <http://my.unisa.ac.za> under the additional resources folder.

Enquiries about assignments (e.g. whether or not the university has received your assignment or the date on which an assignment was returned to you) must be directed to the Unisa Assignment Department on 012 429-3812/2873/2587/8613. You might also find information on *myUnisa*.

You may submit the assignments that you complete on mark-reading sheets by post or electronically via *myUnisa*, or on your cellular phone. Please keep a copy of your completed assignments, especially Assignments 01. If the assignment is lost before it can be assessed, a copy will be your proof that you did complete the assignment.

For detailed information and requirements as far as assignments are concerned, see the brochure *my Studies @ Unisa*, which you received with your study material.

To submit an assignment via *myUnisa*:

- Go to *myUnisa*.
- Log in with your student number and password.
- Select the module from the orange bar.
- Click on assignments in the left menu.
- Click on the assignment number you want to submit.
- Follow the instructions.

If you experience any problems when submitting your assignment electronically or problems regarding cancellation, resubmitting, etc, please contact the *myUnisa* helpdesk at myUnisahelp@unisa.ac.za.

PLEASE NOTE: Enquiries about assignments (e.g. whether or not the university has received your assignment or the date on which an assignment was returned to you) must be directed to the relevant departments, whose contact details are provided on page 4.

8.6 The assignments

SEMESTER 1	
COMPULSORY ASSIGNMENT 01	LEARNING UNITS 1 TO 7
DUE DATE	08/03/2018
UNIQUE NUMBER	766235
MARKS	100

This assignment contributes 50% towards your semester mark.

Please ensure that this assignment reaches the university before the due date.

Answer all questions on a mark-reading sheet

Questions 1 to 20 of the assignment are **MULTIPLE-CHOICE** questions.

In each question, select the most correct option.

- Consider the following demand and supply functions: Demand: $Q_d = 600 - 30P$ and Supply: $Q_s = -300 + 120P$. What is the equilibrium price and output?
 - $P = R2$ and $Q = 540$.
 - $P = R10$ and $Q = 300$.
 - $P = R6$ and $Q = 420$.
 - $P = R3.33$ and $Q = 500$.
- Which of the following conditions are **NOT** required for the supply and demand model to apply?
 - A significant number of buyers.
 - A significant number of sellers.
 - Both buyers and sellers must trade an identical item.
 - The traded item must be a product.
- Which of the following effects will be illustrated on the demand and supply graph where a market is in equilibrium and demand increases?
 - An excess demand at the initial equilibrium price.
 - An excess demand at the new equilibrium price.
 - An excess supply at the initial equilibrium price.
 - An excess supply at the new equilibrium price.
- If the supply equation is given as $Q_s = -200 + 10P$, the price elasticity of supply between R40 and R50, calculated using the arc elasticity of demand, is ...
 - 0.6.
 - 1.8.
 - 0.56.
 - 2.0.

5. A decrease in the price of a product from R50,00 to R40,00 causes the quantity demanded to increase from 2 500 to 3 000 units. Using the arc elasticity of demand, the price elasticity of demand is ...
1. 0.78.
 2. -0.69.
 3. -0.82.
 4. -1.22.
6. Which of the following factors would **NOT** explain a price elasticity of demand of -0.12 for a consumer product?
1. The availability of a limited amount of substitutes.
 2. The available substitutes will have higher prices.
 3. The product constitutes a small percentage of consumer expenditure.
 4. The product is a normal good.
7. The income elasticity of an inferior good is ...
1. negative because as people get richer they increase their purchases of the good by smaller and smaller amounts.
 2. 1 because the increased income offsets the desire to consume less of the good because it is inferior.
 3. greater than 1 because the richer you get, the less you consume of the good.
 4. negative because higher income leads to a reduction in the amount consumed of the product.
8. If food is on the vertical axis and housing is on the horizontal axis, a set of indifference curves that are quite steep with respect to the horizontal axis ...
1. reflect a preference pattern that generally values housing high, relative to food.
 2. imply that food has a higher relative value compared to housing for the consumer.
 3. say nothing relating to how the consumer feels about the two goods until a budget line is introduced.
 4. mean that the two goods are perfect substitutes.
9. Which of the following factors does **NOT** help to explain why most indifference curves between consumer products slope down to the right and are curved rather than straight?
1. The principle of diminishing marginal utility.
 2. The fact that both products are regarded as desirable.
 3. The fact that most pairs of products are not perfect substitutes.
 4. The fact that the further an indifference curve is from the origin, the more total utility it represents.

10. If an indifference curve is convex from above (bowed outward), which of the following statements would be **TRUE**?
1. The more you have of a good, the less you desire additional units of the good.
 2. The less you have of a good, the more intense your desire for more of it.
 3. The more you have of a good, the more intense your desire for more of it.
 4. This type of indifference curve violates the more-is-better-than-less assumption underlying indifference curves.
11. A consumer considers two products. Product A, with a price of R5 and consumer's marginal utility of 100 utils and Product B, with a price of R10 and consumer's marginal utility of 160 utils. Which of the following statements is **TRUE** regarding the products?
1. The consumer will maximise his/her utility by consuming from both product A and B.
 2. The consumer would gain more utility from product A and B, by consuming more of product A and less of product B.
 3. The consumer would gain more utility from product A and B, by consuming less of product A and more of product B.
 4. The consumer could only gain more utility from product A and B by consuming more of both products.
12. Lwazi views apples and oranges as perfect substitutes in his consumption, and $MRS = 1$ for all combinations of the two goods in his indifference map. Suppose the price of apples is R2 per bag, the price of oranges is R3 per bag, and Lwazi's budget is R30 per week. What is Lwazi's utility maximizing choice between these two goods?
1. 4 bags of apples and 6 bags of oranges.
 2. 5 bags of apples and 5 bags of oranges.
 3. 10 bags of oranges and no apples.
 4. 15 bags of apples and no oranges.
13. Suppose a consumer faces a rise in the price of product A while the consumer's income remains unchanged. Which of the following statements about the income effect is **FALSE**?
1. There is no income effect because the consumer's income is unchanged.
 2. Between the income and substitution effects, the entire change in the quantity demanded by the consumer is covered.
 3. If the product is normal, the income effect works in the same direction as the substitution effect.
 4. If the product is inferior, the income effect works in the opposite direction to the substitution effect.
14. The substitution effect of a price decrease for a good with a normal indifference curve pattern ...
1. is always inversely related to the price change.
 2. measures the change in consumption of the good that is due to the consumer's feeling of being richer.
 3. is measured by the horizontal distance between the original and the new indifference curves.
 4. is sufficient information to plot an ordinary demand curve for the commodity being considered.

15. Which of the following is the **CORRECT** definition of the law of diminishing returns?
1. Marginal returns will eventually get smaller, when extra units of one variable input are added to a fixed amount of all other inputs.
 2. Marginal returns will always get smaller, when extra units of one variable input are added to a fixed amount of all other inputs.
 3. Marginal returns will always get smaller, when extra units of all variable inputs are added to a fixed amount of all fixed inputs.
 4. Marginal returns will eventually get smaller, when extra units of all variable inputs are added to a fixed amount of all fixed inputs.
16. Which of the following statements about a firm's average cost curves is **FALSE**?
1. If the price of a fixed input increases in the short run, the SAC curve will remain the same.
 2. If the price of a variable input increases in the short run, the SAC curve will shift upwards.
 3. The SAC curve is always above the LAC curve.
 4. If new firms enter its industry and there are, external diseconomies of scale the LAC curve will shift upwards.
17. Average variable cost (AVC) begins rising before average total cost (ATC) because ...
1. AVC is not influenced by declining average fixed cost.
 2. AVC is not influenced by marginal cost.
 3. ATC is not influenced by rising marginal cost.
 4. AVC is not influenced by diminishing returns.
18. If the total cost is R1000 and the average fixed cost is R16 when 25 units of output are produced, then the average variable cost at that level of output is ...
1. R16.
 2. R24.
 3. R40.
 4. Impossible to determine.
19. A firm producing six units of output has an average total cost of R200 and has to pay R300 to its fixed factors of production. The average variable cost is ...
1. R50.
 2. R150.
 3. R200.
 4. R300.
20. Each point on the long-run average cost curve is a ...
1. minimum point on some short-run average cost curve as well.
 2. level of average cost that is the lowest possible average cost for that level of output.
 3. point on the long-run marginal cost curve as well, because the long run average cost curve and long-run marginal cost curve are always identical.
 4. cost of production based on a particular input price ratio. Other points on the long-run average cost curve show cost of output with alternative input prices.

SEMESTER 1	
ASSIGNMENT 02	LEARNING UNITS 8 TO 12
DUE DATE	05/04/2018
UNIQUE NUMBER	837954
MARKS	100

This assignment contributes 50% towards your semester mark.

Please ensure that this assignment reaches the university before the due date.

Answer all questions on a mark-reading sheet.

Questions 1 to 20 of the assignment are **MULTIPLE-CHOICE** questions.

In each question, select the most correct option.

1. Perfect competition ...
 1. is not competition at all because one producer cannot affect any other individual producer by price cutting practices in the long run.
 2. is competition in that every producer must be operating at maximum efficiency or they will not be making a normal return on their money.
 3. has assumptions that are true in the real world even though they seem to be false at first glance.
 4. would tend to please producers more than consumers.

2. Which of the following statements regarding a firm that is a price-taker is **FALSE**?
 1. The firm will sell its product at the going market price.
 2. The firm's demand curve is downward sloping.
 3. The firm's demand curve is horizontal but the market demand curve is downward sloping.
 4. The firm would not sell anything if it sets its price higher than the market price.

3. If a perfectly competitive firm increases production from 10 to 11 units and the market price is R20 per unit, the total revenue for 11 units would be ...
 1. R10.
 2. R20.
 3. R210.
 4. R220.

4. When economic profit exists for a firm, it is very feeble because ...
 1. costs will inevitably increase and eliminate profit.
 2. price will fall because market supply will increase.
 3. firms are driven to increase output to the point where average total cost will equal price.
 4. firms are driven to reduce output until average total cost equals price.

5. When an exchange occurs in a marketplace, the total net benefit that results from the transaction is the ...
1. consumer surplus minus the producer surplus.
 2. producer surplus minus the consumer surplus.
 3. sum of the producer surplus and the consumer surplus.
 4. entire area under the demand curve up to the quantity exchanged.
6. Michael decides that he would pay as much as R3 200 for a new laptop computer. He buys the computer and realises consumer surplus of R800. How much did Michael pay for his computer?
1. R800
 2. R2 400
 3. R3 200
 4. R4 000
7. Suppose Ruhan, Jayde and Chloe all purchase small whiteboard markers for their rooms at R200 each. Ruhan's willingness to pay was R450, Jayde's willingness to pay was R350, and Chloe's willingness to pay was R300. The total consumer surplus for these three would be ...
1. R200.
 2. R500.
 3. R900.
 4. R1 100.
8. When a profit-maximising firm is at its short-run optimum point ...
1. the average cost of the product is at its lowest possible point whether a profit is being made or not.
 2. the firm will be shut down if its price is less than the average fixed cost.
 3. the profit per unit of output will be at its maximum possible level.
 4. None of the above will be true.
9. A perfect competitor found that it could produce a maximum output of 100 units each day, which it can sell at the market price or AR of R100, but even at this rate, it would make a loss. Considering this information, under what circumstances would it definitely make a smaller loss if it shut down and produced nothing?
1. At an output level of 100 units a day, its average variable cost (AVC) would be above R100.
 2. At an output level of 100 units a day, its average fixed cost (AFC) would be above R100.
 3. At an output level of 100 units a day, its short-run average cost (SAC) would be above R100.
 4. At an output level of 100 units a day, its short-run marginal cost (SMC) would be above R100.
10. Which of the following statements regarding price-takers is **FALSE**?
1. Both monopolistic competitors and monopolists can be price-takers.
 2. Price-takers can raise their prices and still retain some customers.
 3. Price-takers can set different prices in the short run and in the long run.
 4. Price-takers are not analysed using diagrams with supply and demand curves.

11. Marginal revenue (MR) for a single-price monopolist will ...
1. have the same slope as the demand curve.
 2. be zero when price is zero.
 3. be negative if the firm is incurring economic losses
 4. always be positive if the firm is profit maximising.
12. Which is **NOT** true of state-owned and managed natural monopolies?
1. The state is better able to price at marginal cost (MC) because it can use its taxing power to cover the losses that result from the MC pricing.
 2. X-inefficiency is common because the incentives for profit are missing.
 3. Bureaucrats frequently maximise the operating budgets of their departments rather than function with a profit-maximisation objective.
 4. The wise state government will set price equal to average total cost (ATC) so that losses will not have to be borne by the taxpayer.
13. Which one of the following is **NOT** an example of price discrimination?
1. The local country club offering lower rates to beginners.
 2. "Buy two, get one free" pizza promotions at Little Italy Pizzeria.
 3. The lower cost structure of South African Airlines, which allows it to sell cheaper airline tickets.
 4. Cheaper electricity during off-peak periods.
14. If a firm is producing where its short-run marginal cost (SMC) = price and the long-run marginal cost (LMC) is less than long-run average cost (LAC), then it would do better in the long run by ...
1. increasing output with its existing plant until LMC equals price.
 2. increasing plant size until LMC and SMC are identical and equal to price.
 3. decreasing plant size until LAC, short-run average cost (SAC) and price are equal.
 4. doing nothing because it is already at the long-run profit maximising point.
15. Suppose a profit-maximising monopolist faces no threats from possible new entrants to its industry. Which of the following statements about the firm's long-run equilibrium is **FALSE**?
1. The firm may make a profit indefinitely.
 2. Both the firm's short-run marginal cost (SMC) curve and its long-run marginal cost (LMC) curve will intersect its marginal revenue (MR) curve at its chosen output.
 3. The firm's short-run average cost (SAC) curve will intersect its long-run average cost (LAC) curve at its chosen output.
 4. If the firm suddenly started to worry about the prospect of new entrants, it might decide to reduce its price.
16. Which of the following statements about a monopolistic competitor is **FALSE**?
1. The demand curve of a monopolistic competitor is downward sloping.
 2. The demand curve of a monopolistic competitor and that of its competitors may all have different positions.
 3. A monopolistic competitor will produce at an output level where its MR and SMC curves intersect, given that it would make either a profit or a loss, which is less than its total fixed cost.
 4. The monopolistic competitor's supply curve is part of its marginal cost curve.

17. One who follows the Cournot duopoly strategy assumes that competing firms ...
1. treat each other's price as fixed when making an output decision.
 2. treat each other's quantity as fixed when making an output decision.
 3. will pick the strategy most damaging to each other.
 4. will collude informally rather than cut price.
18. Which oligopoly model would be most desirable from the point of view of the consumer?
1. Cournot.
 2. Bertrand.
 3. Stackelberg.
 4. Monopoly collusion.
19. In a prisoner's dilemma with prisoners A and B, if they both confess, A gets 5 years and B gets 8 years. If both remain silent, A gets 2 years and B goes free. If one confesses and the other does not, the one who confesses gets 1 year and the other gets 15 years. Which statement is **TRUE** of this case?
1. There is a dominant strategy for both A and B.
 2. There is no dominant strategy for either A and B.
 3. There is a dominant strategy for A but not for B.
 4. There is a dominant strategy for B but not for A.
20. A weakness of the Stackelberg model is that ...
1. both firms behave naively rather than strategically.
 2. both firms behave strategically.
 3. one firm behaves strategically while the other behaves naively.
 4. there are no assumptions about how the firms will react to each other.

SEMESTER 2	
COMPULSORY ASSIGNMENT 01	LEARNING UNITS 1 TO 7
DUE DATE	08/08/2018
UNIQUE NUMBER	616297
MARKS	100

This assignment contributes 50% towards your semester mark.

Please ensure that this assignment reaches the university before the due date.

Answer all questions on a mark-reading sheet.

Questions 1 to 20 of the assignment are **MULTIPLE-CHOICE** questions.

In each question, select the most correct option.

- Consider the following demand and supply functions: Demand: $Q_d = 800 - 80P$ and Supply: $Q_s = -200 + 120P$. What is the equilibrium price and output?
 - $P = R3$ and $Q = 560$.
 - $P = R10$ and $Q = 300$.
 - $P = R5$ and $Q = 400$.
 - $P = R3.33$ and $Q = 500$.
- If there is an excess supply in the market and the price decreases, which of the following combinations of events will occur?
 - There will be a fall in quantity supplied and a rise in quantity demanded.
 - There will be a fall in quantity supplied and a rise in demand.
 - There will be a fall in supply and a rise in quantity demanded.
 - There will be a fall in supply and a rise in demand.
- An increase in the price of a product from R40,00 to R45,00 causes the quantity demanded to decrease from 2 400 to 2 000 units. Using the arc elasticity of demand, the price elasticity of demand is ...
 - 0.75.
 - 0.65.
 - 1.15.
 - 1.55.
- If the supply equation is given as $Q_s = -100 + 10P$, the price elasticity of supply between R20 and R30, calculated using the arc elasticity of supply, is ...
 - 0.6.
 - 1.0.
 - 1.67.
 - 2.0.

5. The income elasticity of an inferior good is ...
5. negative because as people get richer they increase their purchases of the good by smaller and smaller amounts.
 6. 1 because the increased income offsets the desire to consume less of the good because it is inferior.
 7. greater than 1 because the richer you get, the less you consume of the good.
 8. negative because higher income leads to a reduction in the amount consumed of the product.
6. If the income elasticity of demand for a product is 1.0, and if consumers' income increases by 10 per cent, the proportion of income spent on this product ...
1. increases by 10 per cent.
 2. increases by less than 10 per cent.
 3. stays the same.
 4. decreases.
7. Which of the following statements is **FALSE**?
1. Price elasticity of demand is negative for most products.
 2. Price elasticity of supply is positive for most products.
 3. Income elasticity of demand is positive for normal goods.
 4. Cross elasticity of demand is positive between complements.
8. Consider an indifference map diagram that explores the hours of work a worker will choose to do. Which of the following will **NOT** apply to this diagram?
1. If both income and leisure are desirable, the indifference curves will slope downwards to the right.
 2. If both income and leisure have diminishing marginal utility, the curves will get flatter to the right.
 3. The indifference curves furthest from the origin represent the highest total utility.
 4. An increase in the wage rate shifts the earnings leisure line, with the new line being parallel to the initial line.
9. On a graph of a preference pattern of food and housing, food is on the vertical axis. The slope of the indifference curve at the relevant market basket is 3. If food is 4 times more expensive than housing, the consumer is ...
1. maximising his pleasure.
 2. consuming too much housing and not enough food.
 3. consuming too much food and not enough housing.
 4. consuming more of both goods than he can afford.
10. All points on or below a budget constraint ...
1. are attainable with the given income.
 2. are equally desirable.
 3. represent market basket combinations that exhaust the income available.
 4. are described, in part, by a, b and c above.

11. Lwazi views apples and oranges as perfect substitutes in his consumption, and $MRS = 1$ for all combinations of the two goods in his indifference map. Suppose the price of apples is R2 per bag, the price of oranges is R3 per bag, and Lwazi's budget is R30 per week. What is Lwazi's utility maximising choice between these two goods?
1. 4 bags of apples and 6 bags of oranges.
 2. 5 bags of apples and 5 bags of oranges.
 3. 10 bags of oranges and no apples.
 4. 15 bags of apples and no oranges.
12. Sue has R100 to spend on two goods, shoes and shirts. If the price of a pair of shoes is R20 per pair and the price of a shirt is R15 each, which one of the following combinations is unaffordable to Sue?
1. 0 pairs of shoes and 0 shirts.
 2. 2 pairs of shoes and 4 shirts.
 3. 5 pairs of shoes and 0 shirts.
 4. 0 pairs of shoes and 7 shirts.
13. A consumer considers two products. Product A, with a price of R5 and consumer's marginal utility of 100 utils and Product B, with a price of R10 and consumer's marginal utility of 160 utils. Which of the following statements is **TRUE** regarding the products?
1. The consumer will maximise his/her utility by consuming from both product A and B.
 2. The consumer would gain more utility from product A and B, by consuming more of product A and less of product B.
 3. The consumer would gain more utility from product A and B, by consuming less of product A and more of product B.
 4. The consumer could only gain more utility from product A and B by consuming more of both products.
14. Which of the following statements about the market demand curve for a product is **FALSE**?
1. The market demand curve represents the individual demand curves of all consumers added together.
 2. The market demand curve may shift if there is a change in the behaviour of some households that consume the product.
 3. The market demand curve may shift if there is change in the price of the product.
 4. The market demand curve may shift if there is a change in the number of consumers who buy the product.
15. The substitution effect of a price decrease for a good with a normal indifference curve pattern is graphed by ...
1. drawing a new budget line tangent to the indifference curve attained at the new price.
 2. drawing a new budget line tangent to the original indifference curve but at the slope of the new price of the good.
 3. drawing a new budget line parallel to the initial budget line but tangent to the indifferent curve attained at the new price.
 4. doing none of the above because the substitution effect cannot be graphed.

16. The income effect of a price decrease ...
1. refers to the influence of real income changes rather than nominal income changes on consumer purchases.
 2. refers to the influence of nominal income changes rather than real income changes on consumer purchases.
 3. measures the effect of both real and nominal income changes on consumer purchases.
 4. does not relate to changes in real or nominal income, but rather to the perception of change in the mind of the consumer.
17. A firm's average fixed cost is R20 if it produces six units of output. If it produces four units, its average fixed cost will be ...
1. R15.
 2. R18.
 3. R20.
 4. R30.
18. A firm producing seven units of output has an average total cost of R150 and has to pay R350 to its fixed factors of production. The average variable cost is ...
5. R50.
 6. R100.
 7. R200.
 8. R300.
19. Which of the following statements about economies of scale is **FALSE**?
1. A firm may have economies of scale, even if it does not have increasing returns to scale.
 2. A firm may have diseconomies of scale at a later stage even though it initially had economies of scale.
 3. An industry may have a number of small firms where the economies of scale are exhausted at an output level that is relatively low in comparison to the industry's output level.
 4. A firm's long-run marginal cost curve (LMC) will slope downwards, throughout the output range where it enjoys economies of scale.
20. Which of the following statements about the graphs of short-run cost curves is **FALSE**?
1. The average fixed cost (AFC) at every level of output equals the gap between the short run average cost (SAC) and the average variable cost (AVC) curves at that level of output.
 2. The short-run marginal cost (SMC) curve lies above the marginal variable cost (MVC) curve.
 3. The MVC curve intersects the lowest point on the AVC curve.
 4. The SMC curve intersects the lowest point on the SAC curve.

SEMESTER 2	
ASSIGNMENT 02	LEARNING UNITS 8 TO 12
DUE DATE	13/09/2018
UNIQUE NUMBER	835615
MARKS	100

This assignment contributes 50% towards your semester mark.

Please ensure that this assignment reaches the university before the due date.

Answer all questions on a mark-reading sheet.

Questions 1 to 20 of the assignment are **MULTIPLE-CHOICE** questions.
In each question, select the most correct option.

1. What happens in a perfectly competitive industry when economic profit is greater than zero in the long run?
 1. Existing firms may get larger.
 2. New firms may enter the industry.
 3. Firms may move along their LRAC curves to new outputs.
 4. There may be pressure on prices to fall.

2. Suppose a profit-maximising perfect competitor's daily output level to make a profit is 100 units per day. Which of the following statements is **FALSE**?
 1. The perfect competitor's profit per unit of output will equal the gap between its average revenue (AR) curve and its short-run average cost (SAC) curve at an output of 100 a day.
 2. The perfect competitor's average fixed cost (AFC) for each unit of output will equal the gap between its SAC and average variable cost (AVC) curves at an output of 100 a day.
 3. The perfect competitor's total revenue (TR) will equal its AR at an output of 100 a day multiplied by 100.
 4. The perfect competitor's total cost (TC) will equal its AVC at an output of 100 a day multiplied by 100.

3. If a perfectly competitive firm increases production from 10 to 12 units and the market price is R25 per unit, the total revenue for 12 units would be ...
 1. R10.
 2. R25.
 3. R250.
 4. R300.

4. In what instance would a perfectly competitive industry have a long-run supply curve that slopes downwards?
 1. When the perfectly competitive industry has constant costs.
 2. When the perfectly competitive industry has decreasing costs.
 3. When the perfectly competitive industry has increasing costs.
 4. The perfectly competitive industry will never have a long-run supply curve that slopes downwards.

5. Short-run equilibrium is efficient because at that point ...
 1. the price will always equal the average cost of production.
 2. accounting profits will exist but economic profits will be zero.
 3. all firms that are operating will be covering their fixed cost.
 4. the benefit from the last unit produced is exactly equal to the cost of producing that unit of output.

6. Producer surplus is ...
 1. the amount of revenue received by the producer above the amount that would have been required to supply the product in the short run.
 2. the amount of economic profit that would be present if there were no fixed costs in the production process.
 3. the difference between the total revenue and the total variable cost of a production process.
 4. All of the above.

7. Deadweight loss is the decrease in ... from producing an efficient amount of a product.
 1. consumer surplus
 2. producer surplus
 3. consumer and producer surplus
 4. profit

8. Ruan decides that he would pay as much as R3 500 for a new laptop computer. He buys the computer and realises consumer surplus of R900. How much did Ruan pay for his computer?
 1. R900
 2. R2 600
 3. R3 500
 4. R4 400

9. Suppose Hayley, Chloe and Olivia all purchase small whiteboard markers for their rooms at R250 each. Hayley's willingness to pay was R400, Chloe's willingness to pay was R350, and Olivia's willingness to pay was R300. The total consumer surplus for these three would be ...
 1. R250.
 2. R300.
 3. R800.
 4. R1 050.

10. A perfect competitor found that it could produce a maximum output of 100 units each day, which it can sell at the market price or AR of R100, but even at this rate, it would make a loss. Considering this information, under what circumstances would it definitely make a smaller loss if it shut down and produced nothing?
1. At an output level of 100 units a day, its average variable cost (AVC) would be above R100.
 2. At an output level of 100 units a day, its average fixed cost (AFC) would be above R100.
 3. At an output level of 100 units a day, its short-run average cost (SAC) would be above R100.
 4. At an output level of 100 units a day, its short-run marginal cost (SMC) would be above R100.
11. Which statement is true of firms in the long run?
1. Firms can have many different sizes if the long-run supply curve is horizontal.
 2. If economies of scale and diseconomies of scale exist, firms will all be the same size.
 3. None of the firms will be making economic profits.
 4. All of the above.
12. Which of the following curves will coincide on the graph for a monopolist or monopolistic competitor?
1. Only the demand and average revenue curves will coincide.
 2. Only the demand and marginal revenue curves will coincide.
 3. Only the average revenue and marginal revenue curves will coincide.
 4. The demand, average revenue and marginal revenue curves will coincide.
13. A natural monopoly is typically characterised by ...
1. increasing average costs (AC), which makes it hard for new entrants to enter the industry.
 2. low fixed costs (FC) but very high variable costs (VC).
 3. highly elastic product demand curves.
 4. marginal costs (MC) that are lower than AC for large quantities of output.
14. Which of the following statements regarding a profit-maximising monopolist is **FALSE**?
1. This firm might respond to a fall in demand by reducing both its output and its price.
 2. This firm might respond to a fall in demand by reducing its output and increasing its price.
 3. This firm would respond to a fall in the price of a fixed input by increasing its output and reducing its price.
 4. This firm would respond to a fall in the price of a variable input by increasing its output and reducing its price.
15. A perfect price-discrimination monopolist will ...
1. leave no consumer surplus for his/her customer.
 2. produce where $MC=MR$.
 3. produce the amount that is larger than a non-price discriminator.
 4. All of the above.

16. Second-degree price discrimination is the practice of charging ...
1. the reservation price to each customer.
 2. different prices for different blocks of the same good or service.
 3. different groups of customers different prices for the same products.
 4. each customer the maximum price that he or she is willing to pay.
17. Which of the following statements regarding the long-run equilibrium of a profit-maximising monopolistic competitor is **FALSE**?
1. In the long run, the firm will break even.
 2. In the long run, the firm's short-run marginal cost (SMC) curve and its long-run marginal cost (LMC) curve will touch each other at its chosen output.
 3. In the long run, the firm's short-run average cost (SAC) curve and its long-run average cost (LAC) curve will touch each other at its chosen output.
 4. In the long run, the firm's average revenue (AR) curve and its SAC curve will touch each other at its chosen output.
18. A weakness of the Stackelberg model is that ...
1. both firms behave naively rather than strategically.
 2. both firms behave strategically.
 3. one firm behaves strategically while the other behaves naively.
 4. there are no assumptions about how the firms will react to each other.
19. In a prisoner's dilemma with prisoners A and B, if they both confess, A gets 5 years and B gets 8 years. If both remain silent, A gets 2 years and B goes free. If one confesses and the other does not, the one who confesses gets 1 year and the other gets 15 years. Which statement is **true** of this case?
1. There is a dominant strategy for both A and B.
 2. There is no dominant strategy for either A and B.
 3. There is a dominant strategy for A but not for B.
 4. There is a dominant strategy for B but not for A.
20. With reference to question 19, which one of the following statements is **TRUE**?
1. A Nash equilibrium exists as the question stands.
 2. A Nash equilibrium does not exist as the questions stands, but if the penalties for both remaining silent were doubled, a Nash equilibrium would exist.
 3. If the penalties were changed so that if both parties confessed, they would go free, then it would be the dominant strategy for both to confess.
 4. Both statement 2 and 3 are correct but statement 1 is incorrect.

8.7 Other assessment methods

8.7.1 Alternative assessment to assist students who qualify for final year (FI) concessions

The *Study @ Unisa* brochure contains important information on the final-year concession procedure to assist students with one or two modules outstanding. The Department of Examination Administration (DEA) will inform all students who qualify for a final year (FI) concession by SMS/e-mail. Take note that the Department of Economics does not identify the FI students. If you are of the opinion that you qualify for this concession, you should contact the Department of Examination Administration to confirm this (exams@unisa.ac.za).

Alternative methods of assessment are subject to stringent academic rules and processes and they should not be considered an easier option. Failure to achieve the learning outcomes of the module, through the alternative method of assessment, will result in a fail and you will need to re-register for the outstanding module.

8.8 The examination

For general information and requirements as far as examinations are concerned, see the brochure *my Studies @ Unisa*, which you received with your study material.

8.8.1 Examination admission

Submission of Assignment 01 on or before the closing date is compulsory for gaining examination admission. Both Assignments 01 and 02 are taken into consideration when calculating your semester mark. **See section 8.1, regarding assessment**, where it is explained how your semester mark and examination mark contribute to your final mark.

Remember that:

Your final mark will be calculated as follows:

Semester mark (20%) + examination mark (80%).

A final mark of 50% is required in order to pass this module.

REMINDER:

In Order To Gain Admission To The Examination, You Must Submit Assignment 01 Before The Due Date.

Your Semester Mark And Examination Mark Will Contribute To Your Final Mark.

The Semester Mark Is Based On The Marks Awarded For Assignments 01 And 02.

9 FREQUENTLY ASKED QUESTIONS

9.1 Administrative questions

Some of the questions that students often ask relate to *administrative matters*. **Unfortunately the lecturers are not in a position to assist with this type of question**, but students can get help from the

various relevant departments. The contact details are listed in the publication *my Studies @ Unisa*. Some questions that are typically asked are answered in the following examples.

Study material/dispatch

Question: My study material has not arrived. Whom should I contact?

Contact the Dispatch Department. The contact details are provided in the *my Studies @ Unisa* brochure and also in section 3.3 of this tutorial letter.

Study groups or tutorial groups

Question: How can I attend tutorial classes or join a study group?

Call the nearest Unisa regional office and find out whether they have a tutor available for this module. If they do, you have to register for the tutorial classes in order to attend them.

Prescribed book

Question: I cannot find the prescribed book at the bookshop in my area.

As explained in section 4, consult the official list of bookstores provided in the brochure *my Studies @ Unisa*. Be sure not to buy the latest edition of the prescribed book, but the edition customised for Unisa students, as listed in section 4.

Question: What is the difference between the following prescribed books?

Pindyck, RS & Rubinfeld, DL. 2009. *Microeconomics for Unisa*. 7th edition. London: Pearson Education International.

Pindyck, RS & Rubinfeld, DL. 2009 or 2010. *Microeconomics*. 7th edition. London: Pearson Education International.

The contents of the books mentioned above are exactly the same. The only difference is the book cover.

Assignments and assignment marks

Questions: Has Unisa received my assignment? Did I pass?

Contact the Assignments Department. The contact details are provided in the *my Studies @ Unisa* brochure and also in section 3.3 of this tutorial letter.

Discussion classes

Question: Will there be discussion classes on this module held in my town?

No discussion classes will be offered by the lecturers in 2018 because Unisa has introduced a tutor system.

Examination admission

Question: Do I qualify to write the final exam?

To qualify to write the examination, your name should appear on the list of eligible students, which you can find on *myUnisa*. To be on this list, you should have submitted the compulsory assignment, Assignment 01, before the due date.

Any queries should be directed to the Examinations Department. The contact details are provided in the *myStudies @ Unisa* brochure and also in section 3.3 of this tutorial letter.

Final marks

Question: Did I pass? When will the examination marks be released?

Again, the Examinations Department will handle these types of queries.

10 SOURCES CONSULTED

There are no other sources consulted for this module.

11 IN CLOSING

Distance education is very tough on a student. It requires a lot of self-discipline, sacrifice and hard work but it is not impossible.

Start early and work consistently throughout the semester. Do not leave it for the last two weeks before the final examination. It is not possible to master the course in two weeks. You should at least spend a minimum of 8 hours per week on this course.

Do all the assignments, start early by answering the questions as you finish each study unit. Tell your family, friends and other students what you have learned in this course. Even if they don't understand it or are not interested, read and read and keep on reading (not only economics but other stuff as well).

Good luck with your studies.

12 ADDENDUM

None