

# Microeconomics 1

**Lecturer:** Dali Laxton

**Dates:** 23.09. 2022 – 06.01.2023

**Lectures, Seminars:** Friday 13:00 – 16:50

**Office hours:** Saturday 16:00-17:00 (Online by appointment) or during breaks

## Course Description

The course is providing a general understanding of basic microeconomic concepts. Specifically, it acquaints the students with the study of individual consumers, groups of consumers, and firms. The course will focus on how individuals make decisions that affect their income and wealth, how firms make decisions that affect profits and production, and how government regulation affects individuals and firms.

## The main textbook:

- Mankiw, G. *Principles of Economics*. 4th ed. South-Western College Pub, 2017. 836 pp. ISBN 1-305-58512-7

## Pre-requisites

None.

## Course objectives

In this course, students will learn the basic principles of Microeconomics. They will get acquainted with the concept of preference, cost, revenue, elasticity, supply, demand, firm, market, externality etc., and their mutual relationship. The students will understand the operation of the market process and structure. They will be able to use the microeconomic analytical tools to describe and analyze the real-world cases and avoid usual analytical errors. They will understand the consequences of changes in demand, cost, market structure, and basic policy changes. At the end of this course, students will be able to understand and explain when markets are a good solution to the mundane problem and when the government can improve its results. They will be also prepared to study microeconomics on the intermediate level in the consequent course.

## Grading (Tentative)

*Quizzes: 10 % each*

You will have 2 quizzes – 1 before the midterm exam and 1 afterwards. It will include one multiple choice question, one conceptual question and one problem to solve. These exercises will enhance your problem-solving skills and prepares you for exams.

*Homework: 10 % each*

You will have 2 homework

*Midterm exam: 30 %*

The midterm exam will take place during regular class on **November 11<sup>th</sup>**. You are not allowed to use any textbook, any notes or electronic devices (except for calculators). There will be no make-up for the midterm exam.

*Final Exam: 30 %*

Final exam will take place on **December 16<sup>th</sup>**. There will be one make-up exam for the final exam (dates TBA).

*Grade distribution:*

A: 85 – 100

B: 70 - 84

C: 60 – 69

D: 50 – 59

F: 0 – 49

**NOTE:** The maximum latter grade in make-up exam is **B**.

## **Outline**

*(This is a tentative schedule to be updated based on students' progress.)*

1. Introduction into Economics
2. Market Forces of Supply and Demand
3. Elasticity and Its Applications
4. Consumers, Producers and Efficiency of Markets
5. Government policies and efficiency
6. Cost of Production
7. Firms in Competitive Markets
8. Monopoly and Monopolistic Competition
9. Oligopoly
10. Markets for Factors of Production
11. Externalities
12. Public Goods and Common Resources