Microeconomics 1

Lecturer: Dali Laxton

Dates: 29.09. 2023 – 22.12.2023

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)

Quick Quizzes 10%

These quizzes will be held every week. The goal is to ensure that the students prepare for the classes regularly. Students, who will write <u>less than 3 quizzes</u> in total, will have to take the <u>final exam at additional 10% weight</u> and this component of grading will be cancelled. During quiz students are not allowed to use any textbook, any notes and help from classmates. Final grade will be decided based on 4 best quiz grades among total submitted quizzes.

Home assignment: 20 %

There will be two home assignments that accounts for 10 points each. These exercises will enhance your problem-solving skills and prepares you for exams.

Class participation: 10%

The grading will be decided in the end of the course based on the activeness and responsiveness of the students during the classes. Therefore, attending the seminars is essential. Students who have <u>near zero participation</u> will have to take <u>final exam at additional 10% weight</u> and this component of grading will be cancelled.

Midterm exam: 30 %

The midterm exam will take place during regular seminar time on **November 3rd**. You are not allowed to use any textbook, any notes or electronic devices. There will be no make-up or alternative dates for the midterm exam. Students who fail to attend the midterm will have to take final exam with additional 30% weight.

Final Exam: 30 %

Final exam will take place on **December 22nd**. Alternative date is **January 5th**. Students are highly encouraged to take the final exam during the first offered slot since grades are adjusted based on average class performance. There are no such adjustments for the exams taken during the alternative date. Students can also take a make-up exam if they are not satisfied with their initial grade, however, the maximum latter grade in make-up exam is **B**.

Grade distribution:

A: 85 – 100

B: 70 - 84

C: 60 – 69

D: 50 – 59

F: 0 – 49

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