 Date: March 2013 Introduction to Economics - Micro

66-002-01

**Type of course: Lecture**

**Year of Studies:** 2013-2014 **Semester:** Fall  **Hours/credits: 3**

**Course objectives:** This course provides an introduction to micro-economics, the branch of economics that deals with the interaction of the basic units of the economy: households and firms.

**Course description:** After a brief introduction, the course first gives an overview of how markets work, and the effects of government policies when intervening in the working of markets. The course then deals with the benefits and limitations of free markets – both domestic and international -- in promoting the welfare of the economy. Forms of “market failure,” such as externalities and the provision of public goods, are then discussed. The effects of tax policy are analyzed. The course then turns to the theory of the firm. Two remaining topics in microeconomics, the labor market and the theory of the consumer, are left to the second semester.

**The process of the course:** The course is based on lectures and class discussion, with required weekly problem sets.

**Course requirements:**  (1) Class attendance and required readings, (2) problem sets, and (3) final examination

**Grade components:** 85% final examination grade; 15% grade on problem sets

**Required textbook:**  N. Gregory Mankiw, *Principles of Economics*, fourth edition (South-Western)

**Detailed lesson plan:**

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| Required Reading | Topic of the Lesson | Number of Lesson |
| Mankiw, Ch. 1-2 | Introduction | 1 |
| Mankiw, Ch. 3 | Interdependence and the Gains from Trade | 2 |
| Mankiw, Ch. 4 | Supply and Demand | 3 |
| Mankiw, Ch. 5 | Elasticity and Its Application | 4 |
| Mankiw, Ch. 6 | Supply, Demand, and Government Policies | 5 |
| Mankiw, Ch. 7 | Consumers, Producers, and the Efficiency of Markets | 6 |
| Mankiw, Ch. 8 | Application: Costs of Taxation | 7 |
| Mankiw, Ch. 9 | Application: International Trade | 8 |
| Mankiw, Ch. 10 | Externalities | 9 |
| Mankiw, Ch. 11 | Public Goods and Common Resources | 10 |
| Mankiw, Ch. 13 | Theory of the Firm: Costs of Production | 11 |
| Mankiw, Ch. 14 | Firms in Competitive Markets | 12 |
| Mankiw, Ch. 15 | Monopoly | 13 |
| Mankiw, Ch. 16 | Oligopoly | 14 |
| Mankiw, Ch. 17 | Monopolistic Competition | 15 |