ECON 200 N
Introduction to Microeconomics
Syllabus
Nail Hassairi
September 19, 2012

Abstract
Introduction to microeconomics is really an introduction to economics as a whole. It tells you about the method, how one thinks about the problem, how one asks questions and how one answers them. This is explained in the chapter called “Thinking like an economist”. When we know how to ask question and what answers seem appropriate we can start asking what is the subject matter. That would be two things. Firstly, it is the existence of scarcity. Secondly, it is the way that people behave in the face of that scarcity. Scarcity means that there is not enough of everything which forces us to make painful choices. How we make those choices is a big chunk of the subject matter of microeconomics. Once we figure out how a person acts in the face of scarcity we can start asking what is going to happen if people interact in the face of scarcity with each other. That is when we talk about markets, the government and such.

I will follow the textbook by Mankiw: Principles of Microeconomics, 6th ed. The chapters indicated in the schedule are chapters from his book. Any edition of the book will do.

1 Time Schedule

1.1 Ten Principles of Economics

Sep 25th, Tuesday, How People Make Decisions
1. People Face Trade-offs
2. The Cost of Something Is What You Give Up to Get It
3. Rational People Think at the Margin
4. People Respond to Incentives

Sep 27th, Thursday, How People Interact
1. Trade Can Make Everyone Better Off
2. Markets Are Usually a Good Way to Organize Economic Activity
3. Governments Can Sometimes Improve Market Outcomes
Oct 2nd, Tuesday, How the Economy as a Whole Works
1. A Country’s Standard of Living Depends on its Ability to Produce Goods and Services
2. Prices Rise when the Governments Prints too much Money
3. Society Faces a Short-Run Trade-off between Inflation and Unemployment

1.2 Chapter 2, Thinking Like An Economist
Oct 4th, Thursday
1. Quiz 1
2. Observation, Theory, Assumptions, Models
3. Positive vs. Normative economics, values, judgments

1.3 Chapter 3, Interdependence and the Gains from Trade
Oct 9th, Tuesday
1. production possibilities, specialization, trade
2. absolute advantage, comparative advantage

1.4 Chapter 4, The Market Forces of Supply and Demand
Oct 11th, Thursday
1. markets, competition
2. market demand, individual demand, shifts in the demand curve

Oct 16th, Tuesday
1. the supply curve, market supply vs. individual supply
2. shifts in the supply curve
3. equilibrium, supply and demand together

1.5 Chapter 5, Elasticity and Its Applications
Oct 18th, Thursday
1. Quiz 2
2. the elasticity of demand
3. computation, total revenue and the price elasticity of demand

Oct 23rd, Tuesday
1. the price elasticity of supply
2. applications of supply, demand and elasticity

1.6 Chapter 6, Supply, Demand, and Government Policies
Oct 25th, Thursday
1. controls on prices, price ceilings, price floors
Oct 30th, Tuesday
1. taxes, taxes on sellers, taxes on buyers
2. elasticity and taxes, who pays the tax

1.7 Chapter 7, Consumers, Producers, and the Efficiency of Markets

Nov 1st, Thursday
1. consumer surplus, producer surplus, market efficiency

Nov 6th, Tuesday
1. midterm

1.8 Chapter 13, The Costs of Production

Nov 8st, Thursday
1. revenue, cost, profit
2. fixed, variable, average and marginal

1.9 Chapter 14, Firms in Competitive Markets

Nov 13th, Tuesday
1. firm's supply decision, shut down decision
2. sunk costs, long-run exit

Nov 15st, Thursday
1. market supply with a fixed number of firms

1.10 Chapter 15, Monopoly

Nov 20th, Tuesday
1. Quiz 3
2. why monopolies arise
3. how monopolies make production and pricing decisions
4. price discrimination

Nov 22nd, Thursday
1. Thanksgiving holiday

1.11 Chapter 16, Monopolistic Competition, Chapter 17, Oligopoly

Nov 27th, Tuesday
1. competition with differentiated products
2. advertising
3. prisoner's dilemma, duopoly, cartel
4. price fixing
1.12 Chapter 22, Frontiers of Microeconomics

Nov 29th, Thursday
1. Quiz 4
2. asymmetric information

Dec 4th, Tuesday
1. behavioral economics

Dec 6th, Thursday
1. review session

2 Grades
1. 3 homeworks (20%)
2. 4 quizzes (20%)
3. midterm (30%)
4. final exam (30%)

References