

ECO5002 Introduction to Economics

Syllabus

1 Course Description

This course provides a foundation in microeconomics and macroeconomics, primarily to **students without background in this subject or students who never took similar courses in English**. The course is divided into two parts. Microeconomics aims to provide students with methods that can enable them to think about how markets work and how consumers and firms make decisions. Macroeconomics aims to provide the student with basic tools to analyze what drives economic growth and fluctuations and how policymakers intervene in the economy.

2 Instructor

- Long Ma (longma@link.cuhk.edu.cn).
- Lectures: 9 : 30 AM ~ 11 : 30 AM on every Monday, Tuesday, and Thursday from 28th July 2024 to 15th August 2025.
- Office hours: No fixed office hours. Please make appointments in advance.
- Course website: Zoom links, lecture slides, quizzes, and other course materials will be uploaded at bb.cuhk.edu.cn.

3 Reference

- *Principles of Economics*, by Mankiw, N. Gregory.
- *Intermediate Microeconomics: A Modern Approach*, by Hal R. Varian.
- *Macroeconomics*, by Mankiw, N. Gregory.

4 Assessment Scheme

- No exam, but three take-home quizzes (30%+30%+40%).
- Due in 1st, 8th, and 15th August.

5 Contents

Microeconomics

- **Lecture 1:** An Overview
 - (a) Definition of Economics
 - (b) Ten Principles of Economics
 - (c) General Methodology
- **Lecture 2:** How Markets Work
 - (a) Demand and Supply
 - (b) Elasticity
 - (c) Government Policies
- **Lecture 3:** Markets and Welfare
 - (a) Consumer and Producer Surplus
 - (b) Market Efficiency
 - (c) Application 1 - The Costs of Taxation
 - (d) Application 2 - International Trade
- **Lecture 4:** The Theory of Consumer Choice
 - (a) Budget Constraint
 - (b) Preference and Utility
 - (c) Optimal Choice
 - (d) The Effect of Price Change
 - (e) Compensating and Equivalent Variation
- **Lecture 5:** Firm Behavior and the Organization of Industry
 - (a) The Costs of Production
 - (b) Firms in Competitive Markets
 - (c) Monopoly
 - (d) Monopolistic Competition and Oligopoly

Macroeconomics

- **Lecture 6:** The Data of Macroeconomics
 - (a) Measuring a Nation's Income
 - (b) Measuring the Cost of Living
 - (c) Measuring Joblessness
- **Lecture 7:** The Real Economy in the Long Run
 - (a) Production and Growth
 - (b) The Basic Solow Model
 - (c) Population Growth and Technology Progress
 - (d) Solow Model with Human Capital
 - (e) Optimal Growth
- **Lecture 8:** Money and Prices in the Long Run
 - (a) The Monetary System
 - (b) The Federal Reserve System
 - (c) Money Growth and Inflation
- **Lecture 9:** Short-Run Economic Fluctuations
 - (a) Facts about the Business Cycle
 - (b) AD-AS Framework
 - (c) Monetary and Fiscal Policy
 - (d) IS-LM Model