

ECON 2106

Microeconomics

Course Syllabus¹

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Introduction

Detailed course syllabus and course guideline can be obtained from T-square. However all information about the class including practice questions, student study plan and assigned homework would be on coursecompass.com. Please register with coursecompass. Class attendance is mandatory. Class attendance will be taken daily Attendance will account for 10% of the grade. If you do not attend 70% of the class, **You lose all 10% of the attendance grade**. If you attend everyday you get all of the 10%. If you miss more than two classes you get only a percentage of the 10%.

Purpose

Please note that this principles of economics course is intended to introduce students to concepts that will enable them to understand and analyze structure and performance of the market economy. This course is intended to serve as an introduction to the field of microeconomics with a public choice emphasis. Microeconomics is the branch of economics that analyzes the market behavior of individual consumers and firms in an attempt to understand the decision-making process of firms and households. In particular, microeconomics focuses on patterns of supply and demand and the determination of price and output in individual markets.

In this course we will focus our attention on examining the behaviors of individuals and firms in the market and the implications of their choices,

¹SUBJECT TO CHANGE

using basic economic principles and tools. We will study the actors and institutions that make up our economy: Households, firms, governments, and community organizations. Also, we will study how these actors and institutions make decisions as well as how individuals respond to these institutions. We would also consider whether decisions made by actors are optimal for society or can be improved upon. Other topics we will delve into include supply, demand and resource allocation; analysis of various market and industry structures; shortages, controls, social costs and benefits; international trade; comparative systems.

Goals

My goals for each student after completion of this class are:

1. Students would have knowledge of the basic principles and theories of microeconomics.
2. Students would be able to explain basic microeconomic concepts and apply them to solve problems.
3. Student would become more conversant and aware of the link between microeconomics and its principles and the world around them through exposure to real world examples.

Learning Outcomes

The main learning outcomes for this course which would get tested through exams and problem sets are as follows:

1. The student should be able express what economists mean by the concepts of scarcity and exchange.
2. The student should be able to define opportunity costs, demonstrate how they affect economic decisions, and identify these costs in a given economic decision.
3. The student should be able to predict a change in market outcomes given a change in supply or demand and be able to differentiate between

a change in demand (supply) and a change in the quantity demanded (supplied). In addition, The student should be able to identify the determinants of consumer demand and explain the concept of market equilibrium.

4. The student should be able to recognize and interpret a demand curve and a supply curve, and should be able to identify the underlying determinants of each.
5. The student should be able to explain basic cost and productivity related concepts and the relationships among them and be able to determine which costs and benefits are relevant in a given economic decision.
6. The student should be able to describe how the pursuit of profit leads to efficient outcomes and understand why restricted competition among producers leads to inefficient outcomes.
7. The student should be able to describe the concepts of excess demand, excess supply and equilibrium quantities and prices, and should be able to predict changes in each as a result of government intervention.
8. The student should be able to define the general concept of elasticity for different variables in the demand or supply function (e.g. own, cross, income, etc.), and should be able to describe the effect of a given elasticity on economic outcomes (e.g., revenues, tax burden, policy choices, etc.).
9. The student should be able to identify the differences between a perfectly competitive market and an imperfectly competitive market and the implications of each for economic outcomes.
10. The student should be able to understand how firms within different market structures determine output and price both in the short and the long run.

Readings

1. Textbook

The Required Text: Parkin. Microeconomics: (The Addison-Wesley Series in Economics)

ISBN 0132705591

Note: *We will be focusing on the first 16 chapters of this text*

Online resources- My Econ lab: It is compulsory for each student to buy the text because I will be using Myeconlab through course compass to assign assignments and practice questions. A student access card to myeconlab via course compass is packaged with every new student copy of the book. Each student must be registered on coursecompass for this class. You can get the myeconlab and text package at the engineering bookstore or Barnes and Nobles.

2. Lecture Notes:

Lecture notes will be available on coursecompass under textbook resources. Students are encouraged to go through these summary notes and bring them to class. Having the lecture slides might make it easier to follow during the class. However, you do not have to use these lecture slides. Reading the assigned parts of the text, following the study plan, doing the exercises and problem sets assigned and practicing on Myeconlab suffices.

Other Important Information

Note: Students can receive credit for either ECON 2100 or ECON 2101, or for ECON 2105/2106. Students cannot receive credit for ECON 2100 and ECON 2101 or for ECON 2100 and ECON 2105/2106 or for ECON 2101 and ECON 2105/2106.

Assigned homework will be on Myeconlab. Please note that for each chapter that is listed on the course outline, there will be an assignment. Your best 10 problem sets out of 15 will count towards your grade **if and only if all** 15 problem sets are submitted. The need to practice questions cannot be overemphasized in a basic microeconomic class so I would also provide sample tests on course compass for student to practice with. Students are encouraged to try these practice tests but these tests are not required. In

addition, students are encouraged to follow the study plan on the coursecompass website for the class. Remember there will be two short in-class exams and a long final. Students must take all exams. **The Final Exam is comprehensive and compulsory for all students.** Class attendance counts towards grade. Please make it a point of duty to attend all classes.

Detailed Week by Week Outline

Week 1: Introduction and The Economic Problem

Readings:

Chapter 1 & 2 of Parkin.

Attention! Please read chapter one on your own it would not be covered in class. Please pay special attention to the appendix of this chapter

Practice Questions:

Chapter 1 [page 14: Question 1-5 and pg 29: Question 1-5]

Chapter 2 [Questions: 1, 3, 4, 5, 7, 8 9, 11, 14 20]

Week 2: Demand and Supply

Readings:

Chapter 3 of Parkin.

Practice Questions:

Chapter 3 [Questions: 1, 2, 3, 4, 5, 8, 17, 18, 19, 20]

Week 3: Elasticity

Readings:

Chapter 4 of Parkin.

Practice Questions:

Chapter 4 [Questions:1, 2, 4, 6, 9, 11, 15, 16, 24, 26]

Week 4: Efficiency and Equity

Readings:

Chapter 5 of Parkin.

Practice Questions:

Chapter 5 [Questions:2, 3, 5, 9, 11, 14, 15, 18, 26, 27]

Week 5: Government Actions in Markets

Readings:

Chapter 6 of Parkin.

Practice Questions:

Chapter 6 [Questions: 2, 3, 4, 5, 6, 10, 14, 15, 19, 20]

Week 6: Global Markets in Action

Readings:

Chapter 7 of Parkin.

Practice Questions:

Chapter 7 [Questions:1, 2, 3, 4, 6, 8, 9, 12, 14, 15]

Week 7: Utility and Demand

Readings:

Chapter 8 of Parkin.

Practice Questions:

Chapter 8 [Questions:1, 2, 3, 5, 10, 11, 13, 15, 17, 18]

Week 8: Possibilities, Preferences and Choices

Readings:

1. Chapter 9 of Parkin.

Practice Questions:

Chapter 9 [Questions: 1, 2, 3, 4, 8, 10, 11, 14, 15, 17]

Week 9: Organizing Production

Readings:

Chapter 10 of Parkin.

Practice Questions:

Chapter 10 [Questions: 1, 2, 3, 4, 6, 11, 12, 14, 16, 20]

Week 10: Output and Cost

Readings:

Chapter 11 of Parkin.

Practice Questions:

Chapter 11 [Questions: 3, 5, 6, 7,8, 9, 10, 14, 15, 17, 19]

SPRING BREAK

Week 11: Perfect Competition

Readings:

Chapter 12 of Parkin.

Practice Questions:

Chapter 12 [Questions: 2, 3, 4, 5, 10, 11, 12, 13,14, 17]

Week 12: Monopoly

Readings:

Chapter 13 of Parkin.

Practice Questions:

Chapter 13 [Questions: 2, 4, 5, 6, 7, 10, 11, 13, 15, 17]

Week 13: Monopolistic Competition

Readings:

Chapter 14 of Parkin.

Practice Questions:

Chapter 14 [Questions:1, 2, 3, 5, 6, 9, 10, 13, 15, 17]

Key Topics:

1. Overview of Game Theory
2. Static Games
3. Dynamic Games
4. Auctions

Week 14: Oligopoly

Readings:

Chapter 15 of Parkin.

Practice Questions:

Chapter 15 [Questions:1, 3, 5, 6, 9, 10, 11, 15, 17, 18]

Week 15: Externalities

Readings:

Chapter 16 of Parkin.

Practice Questions:

Chapter 16 [Questions: 2, 3, 5, 6, 11, 13, 14, 15, 16, 17,]

Grade Break Down:

Attendance: 10%

Online Quizzes 5%

Problem Sets: 20% [**Your best 10 problem sets out of 15 will count towards your grade if and only if all 15 problem sets are submitted**]

First exam is worth 15%

second exam is worth 15%

Final Exam is worth 35%

Requirements

1. Problem Sets

Problem sets will be assigned from each chapter and announced on coursecompass. Please check on myeconlab for such assigned problems. Problem sets will be available a week before they are due. All assignment should be submitted via myeconlab. Homework cannot be accessed post the assignment due date.

2. Examinations: There will be three exams. The exams are at fixed dates and makeup exams can only be administered to students with

school approved and verified reason for absence (according to school procedure). All exams are in class.

Honor Code

Students are expected to adhere strictly to the honors code. Copying, cheating and plagiarism among others is ***totally unacceptable***. Discussion of assignments is acceptable but answers to problems should be solved by each student and submitted online on myeconlab via coursecompass. Each student must sign each exam stating that they conform to the Georgia Institute of Technology Honor Code. See Honors code on T-square for details.

Publius Syrus said “One must learn by doing the thing; though you think you know it, you have no certainty until you try.” All the best as we view and learn about the world from a microeconomic perspective.