

Introduction to Microeconomics

Course Description:

An introduction to basic economic methodology. Within a framework of supply and demand analysis, the behavior of producers and consumers is examined in the context of the efficient allocation of scarce resources in society.

Aims and Objectives:

The main objectives in this course are to enable students to:

1. Develop an understanding of the methods used in (micro-) economic analysis.
2. Develop a basic understanding of microeconomic concepts and principles.
3. Apply the above methods to practical economic issues and case studies.
4. Relate the study of microeconomics to other areas of study, and to understand its relevance in everyday life.

Teaching Methods:

Perhaps more than any other area within Economics, microeconomics relies on the use of dedicated economics-based tools to solve problems. So, one of my tasks is to help you understand what some of these tools are and where they come from, and how they may be used. We will approach this task through discussion of many theoretical concepts which will be backed up with examples. I will adopt a semi-formal lecture style which uses a mixed medium of delivery including speech, writing on the board, using PowerPoint slides, video-clips, etc. I will expect you to participate through questions of your own and also responding to mine.

Assessment Criteria:

You will be assessed on a total of 4 pieces of work which includes a final exam. Details as follows:

Date	Assessment	Contents	Weight
Week 5	Online Test 1	Material from week 1 onwards (consisting of up to 10 short questions)	15%
Week 10	Online Test 2	Material from week 1 onwards (consisting of up to 10 short questions)	15%
Week 9	Written assignment (1,200 words)	See below *	20%
Exam week	Final exam	Material from week 1 onwards (answer 4 questions out of 6)	50%

* 1,200 word (+10%) written project assignment details:

Select 1 or 2 key theoretical concepts, with a strong microeconomic focus, from what has been discussed in class and provide a critical overview of its value in explaining or solving one or

more real world microeconomic challenges (some general thematic suggestions include: “impact of smoking ban on pub closures in the UK”; “monopoly power and monopoly pricing amongst pharmaceutical companies”; “pricing policies amongst budget and other airlines”; etc., etc.) Your work should be presented in essay format but may include tables, diagrams, etc., and may need a bibliography, depending on what you choose to work on. All bibliography entries need to conform to the Harvard referencing style.

Learning Outcomes:

By the end of this course, successful students should be able to:

Subject knowledge and understanding

1. Demonstrate a basic understanding of the forces of supply and demand and how they affect markets.
2. Explain the concept of equilibrium and its implications for markets.
3. Develop a basic understanding of production theory, and the factors that determine input-output relationships in both the short and long term.
4. Interpret cost relationships, and the distinction between fixed and variable costs.
5. Explain why governments intervene in markets.
6. Develop an understanding of market structure and its implications for different industries in terms of size of firm, pricing and other business practices.

Subject-specific skills

1. Analyze demand relationships in terms of determining and interpreting elasticity and marginal effects.
2. Analyze cost data to determine various types of unit costs.
3. Understand and distinguish between perfect competition and monopoly to determine prices, outputs and profits.

Other skills

1. Demonstrate effective oral and written communication skills in a range of media.
2. Demonstrate an ability to develop strong analytical skills through listening and reflecting.

Numeracy

1. Solve simple problems involving demand and supply equations.
2. Calculate elasticities and use elasticities to make simple forecasts.
3. Analyze and interpret graphs involving quantitative data.

Papers that are argued well, written clearly and have made good use of evidence in presenting their case generally score better than those that don't.

Required Texts:

-Lipsey, R. and Chrystal, A., 2015. Economics. 13th ed. Oxford: Oxford University Press.

Recommended Reading:

-Begg, D., Dornbusch, R. et al, 2014. Economics, 11th edition. London: McGraw Hill.

-Sloman, J., Wride, A., and Garratt, D., 2014. Economics. 9th ed. Harlow: Pearson.

-Mankiw, N et al, 2015. Principles of Economics. 7th ed. Stamford: Cengage.

Students are required to bring an appropriate calculator to designated classes and to have access to the PowerPoint slides posted on the course home page.

Full Course Schedule:

Week	Topic/Activity	Required Reading
1	Introduction: nature, scope and methods; scarcity; basic concepts: resources, opportunity cost, production possibility curves, etc.	Lipsey & Chrystal Chapter 1.
2	Nature and determinants of Demand and Supply.	Lipsey & Chrystal Chapter 3.
3	Elasticity concepts: in relation to demand and supply.	Lipsey & Chrystal Chapter 4.
4	Microeconomics in action.	Lipsey & Chrystal Chapter 5.
5	Utility theory.	Lipsey & Chrystal Chapter 6.
6	Test 1 Indifference curves	Lipsey & Chrystal Chapter 7.
7	Project topic due today in class Theory of the firm I.	Lipsey & Chrystal Chapter 8.
8	Theory of the firm II.	Lipsey & Chrystal Chapter 8 and 9.
9	Market structure: perfect competition.	Lipsey & Chrystal Chapter 10.
10	Test 2 Market structure: monopoly.	Lipsey & Chrystal Chapter 11.
11	Assignment due Market structure: imperfect competition.	Lipsey & Chrystal Chapter 12.
12	Review	
