

Economics 1 (Micro)

Summer Session II, 2016

Syllabus

Instructor: Ivan Major

Visiting professor
Department of Economics, UCSD

Office hours: Mo, We 12:30–1:30 p.m.
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Office: Soc Sci Building 482

Lecture time: A00
M, Tu, W, Th 11:00 a.m. – 12:20 p.m.

Classroom location: PCYNH 106

Discussion session: A01 Tu 3:00–4:50 p.m.

Classroom location: CENTR 214

Teaching Assistant and Reader:

TA: David Stowitts

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Office hours: ...

Office: ...

Reader: ...

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Course description

In this introductory course you get acquainted with the basic concepts, definitions and tools of microeconomic analysis. You can learn how to analyze the customers' and the companies' market behavior assuming rational decision making of all economic actors. We remain within the framework of "perfect markets" during the course. You will learn about market imperfections in subsequent Econ courses. The topics we shall discuss in this course are as follows:

- Scarcity and economic choice;
- Economic benefits and economic costs;
- Cost-benefit analysis;
- Why do people engage in transactions: the concept of comparative advantage;
- The different forms of exchange: from autonomous markets, to regulated markets and to centrally administered allocations;
- How are demand and supply formed, and how is equilibrium attained in different markets;
- How would people's needs and wants translate into their demand;
- What is price elasticity and income elasticity of demand;
- How can we derive market demand from individuals' demand;
- How do firms determine their supply in a perfectly competitive market;
- What do economists mean by efficiency in a market environment;
- What does the metaphor of the "invisible hand" stand for;
- How can the "visible hand" of the government affect economic efficiency;
- The possible differences between market equilibrium, social optimum and social justice.

Required reading and online material: Robert H. Frank and Ben S. Bernanke, *Principles of Microeconomics*, Sixth edition, McGraw-Hill, 2016. (FB), or Connect®

My lecture notes and all additional course materials will be uploaded on <https://tritoned.ucsd.edu>

Schedule of classes

Week 1 (08/1–08/04/2016)

How do economists think about the economic actors' behavior? (FB Ch. 1)

Mathematical tools you need in analyzing economic behavior (FB Ch. 1, Appendix)

Week 2 (08/08–08/11/2016)

Comparative advantage (FB Ch. 2)

Individual demand (FB Ch. 3)

Week 3 (08/15–08/18/2016)

How does the firm decide on its quantity to be supplied? (FB Ch. 3)

Market demand and the law of demand (FB Ch. 5)

Midterm exam: Th 08/18/2016

Week 4 (08/22–08/25/2016)

Price and income elasticity of demand; elasticity of supply (FB Ch. 4)

From individual to market supply in perfectly competitive markets (FB Ch. 6)

Week 5 (08/29–09/01/2016)

Different concepts of efficiency (FB Ch. 7)

The “invisible hand” and social efficiency (FB Ch. 7)

Final exam: F 09/02/2016, 11:30 a.m.–2:59 p.m., location: TBA

Homework assignments

- Assignment 1 (due by August 8, 2016)
- Assignment 2 (due by August 15, 2016)
- Assignment 3 (due by August 22, 2016)
- Assignment 4 (due by August 29, 2016)

Home-works should be handwritten and readable. No printed homework will be graded. It should be submitted at the beginning of class.

Grading

Midterm Exam	Final Exam	Homework assignments
30%	50%	20%

Grade scale

A \pm	B \pm	C \pm	D
81–100	71–80	60–70	50–59