

**Economics 1 (Micro) A00
Spring 2016**

Syllabus

Instructor: Ivan Major

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Office hours: Mo, We 11:00–11:50 a.m.
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Office: Econ Building 229

Lecture time: Mo, We, Fri 9:00–9:50 a.m.

Classroom location: CENTR 216

Discussion session: A01 Th 5:00–5:50 p.m.
A02 Th 6:00–6:50 p.m.

Classroom location: PETER 104
Classroom location: PETER 104

Teaching Assistants and Readers:

Section A01

TA: Romero, Henrique A.

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Office hours: Th 7:00–8:00 p.m.

Office: SEQ 225

Reader: Acevski, Daniel

e-mail: dacevski@ucsd.edu

Section A02

TA: Wu, Michael

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Office hours: Th 4:00–5:00 p.m.

Office: Price Center, Starbucks

Reader: Zeng, Sarah

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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.

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

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

Schedule of classes and required reading:

Week 1 (03/28-04/01/2016)

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

Week 2 (04/04–04/08/2016)

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

Week 3 (04/11–04/15/2016)

Comparative advantage **(FB Ch. 2)**

Week 4 (04/18–04/22/2016)

Individual demand **(FB Ch. 3)**

Week 5 (04/25–04/29/2016)

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

Midterm exam: Fri In-class, closed book

Week 7 (05/02–05/06/2016)

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

Week 8 (05/08–05/12/2016)

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

Week 9 (05/15–05/19/2016)

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

Different concepts of efficiency (**FB Ch. 7**)

Week 10 (05/22–05/26/2016)

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

Summing up and reviewing the main lessons of our course.

Final exam: W 06/08/2016, 8:00–10:59 a.m., location: TBA

Homework assignments

- Assignment 1 (due by April 8, 2016)
- Assignment 2 (due by April 22, 2016)
- Assignment 3 (due by May 13, 2016)
- Assignment 4 (due by May 27, 2016)
- Assignment 5 (due by June 7, 2016)

Homework should be handwritten and readable. No printed homework will be graded.

Grading

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

Grade scale

A±	B±	C±	D
81–100	71–80	60–70	50–59