



0201E101

Microeconomics

Instructor: TBA

Time: June 14, 2021-July 16, 2021

Office Hours: 2 hours (according to the teaching schedule)

Contact Hours: 60 (50 minutes each)

Credits: 4

E-mail: TBA

Course Description

This course introduces microeconomics to the student by showing how consumers and producers choose to allocate scarce resources to satisfy their unlimited wants. This course emphasizes the nature and functions of product markets, factor markets and the role of government in promoting greater efficiency and equity in the economy. Topics include scarcity, demand and supply, equilibrium, opportunity costs, production possibility and indifference curves, specialization, comparative advantage, economic profit, the different types of market structures, and world trade and equilibrium.

Required Textbook(s)

Principles of Microeconomics, Gregory Mankiw, Cengage Learning Publishing, 7th edition. (2015).

Prerequisites

No prerequisites

Course Schedule

Please note that the schedule is meant to give an overview of the major concepts in this course. Changes may occur in this calendar as needed to aid in the student's development.

Week 1

Day 1 - *Review of Mathematical Concepts Required for the Course (Chapter 2–Appendix)*

Focus: Geometry, Order of operations, Balancing equations, The slope of a line ($Y = a + bx$), Algebraic equations, etc.

- *Chapter 1. Ten Principles of Economics*

Emphasis: The ten principles are grouped into three categories: “how people make decisions, how people interact, and how the economy works as a whole.”

Day 2 - *Chapter 2. Thinking Like an Economist*

Emphasis: The first two models, Circular-flow and the Production Possibilities Frontier.

- *Chapter 3. Interdependence and the Gains from Trade*

Emphasis: The opportunity costs, the specialization from the comparative advantage and the gains from it.

Day 3 - *Chapter 4. The Market Forces of Supply and Demand*

Emphasis: An examination of how supply and demand for a good determines both the quantity produced and the price at which the good sells. This model is the foundation of our discussion for the remaining of the text.

Day 4 - *Chapter 5. Elasticity and Its Applications*

Emphasis: 1. To assess the responsiveness of the quantity demanded or quantity supplied due to a change in the price of a good or service (i.e. price elasticity of demand or supply). 2. To compute the total revenue of a firm along with its price discrimination policy based on the type of price elasticity of demand.

Day 5 - Review Session.

Emphasis: To go over all the class material covered during the week and to prepare for the upcoming homework, quiz and/or exam; to work on the chapter summaries.

Week 2

Day 6 - Chapter 6. Supply, Demand, and Government Policies

Focus: The supply and demand model are associated with government policies of price ceilings and price floors.

⇒ **Quiz 1 (Covers Chapters 1, 2, 3, 4 and 5 and it will be used to test the students understanding of the areas covered) – Must be submitted online by the end of the day.**

⇒ **Homework 1 (Covers Chapters 1, 2, 3, 4 and 5 and it will be used to assess the students understanding of the areas covered) – Must be submitted online by the end of the day.**

⇒ **Chapter Summary 1 (Covers Chapters 1, 2, 3, 4 and 5 and it will be used by students to prepare for Quiz 1, Homework 1 and Exam 1) → Must be posted online on the Discussion Board and available to all the students by the end of the day.**

Day 7 - Chapter 7. Policies Consumers, Producers, and the Efficiency of Markets

Emphasis: 1. (consumer & producer surplus, welfare economics) are used extensively in the real world to assess the costs and benefits of policies and market imperfections. 2. Adam Smith's invisible hand, a.k.a. the principle that markets are usually a good way to organize economic activity.

Day 8 - Chapter 8. Application: The Costs of Taxation

Focus: How a tax affects the market participants (consumer & producer surplus, welfare economics) are used to assess the determinants of the deadweight losses and the gains from trade.

Day 9 - Chapter 9. Application: International Trade

Focus: 1. To assess the determinants of (free) trade (world price and comparative advantage) with winners and losers. 2. The effects of tariff, import quotas and other trade policy are used to investigate the arguments for restricting trade.

Day 10 - Review Session.

Emphasis: To go over all the class material covered during the week and to prepare for the upcoming homework, quiz and/or exam; to work on the chapter summaries.

Week 3

Day 11 - Chapter 10. Externalities

Emphasis: The costs and benefits associated with positive and negative externalities are used to assess public policies toward externalities.

Day 12 - Chapter 11. Public Goods and Common Resources

Focus: Public goods and Common resources. Common resources, like public goods are not excludable.

Day 13 - Chapter 13. The Costs of Production

Concentration: How much does it cost a firm to produce goods/ services. Students should think of several costs that a real-world firm actually faces and the kinds of decisions that are affected by these costs. Costs affect policies.

⇒ **Quiz 2 (Covers Chapters 6, 7, 8, 9, 10 and 11 and it will be used to test the students understanding of the areas covered) – Must be submitted online by the end of the day.**

⇒ **Homework 2 (Covers Chapters 6, 7, 8, 9, 10 and 11 and it will be used to assess the students understanding of the areas covered) – Must be submitted online by the end of the day.**

⇒ **Chapter Summary 2 (Covers Chapters 6, 7, 8, 9, 10 and 11 and it will be used by students to prepare for Quiz 4, Homework 4 and Exam 2) → Must be posted online on the Discussion Board and available to all the students by the end of the day.**

Day 14 - Exam 1 (Covers Chapters 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11)

Emphasis: Review session about Exam 1 followed by the first exam → must be submitted online by the end of the day.

Day 15 - Review Session.

Emphasis: To go over all the class material covered during the week and to prepare for the upcoming quiz and/or exam; to work on the chapter summaries.

Week 4

Day 16 - Chapter 14. Firms in Competitive Markets

Objective: To explore the firm's behavior under Perfect competition ($MC=MR$ and $P=MR$). This is the first set of the firms that make up the market structure. The model serves as a point of reference.

Day 17 - Chapter 15. Monopoly

Concentration: The relation between MR and P for a monopolist. Price $P > MR$ Marginal revenue implies that there is market power.

- *Chapter 16. Monopolistic Competition*

Emphasis: The third market structure which is easier for students. The firms are on a typical main street: the coffee shops, donut shops, flower shops, etc. $P > MR$.

Day 18 - Chapter 17. Oligopoly

Focus: Industry that is controlled by few firms. The concentration ratio and game theory concepts will be addressed.

⇒ *Quiz 3 (Covers Chapters 13, 14, 15 and 16 and it will be used to test the students understanding of the areas covered) – Must be submitted online by the end of the day.*

⇒ *Homework 3 (Covers Chapters 13, 14, 15 and 16 and it will be used to assess the students understanding of the areas covered) – Must be submitted online by the end of the day.*

⇒ *Chapter Summary 3 (Covers Chapters 13, 14, 15 and 16 and it will be used by students to prepare for Quiz 4, Homework 4 and Exam 2) → Must be posted online on the Discussion Board and available to all the students by the end of the day.*

Day 19 - Chapter 18. The Markets for the Factors of Production

Objective: This chapter develops the neoclassical theory of income

distribution, in which each factor of production earns a price that equals the value of its marginal product

- *Chapter 19. Earnings and Discriminations*

Focus: Wage differentials depend on education, skill, natural talent/beauty etc. and are closely related to productivity.

Day 20 - Review Session.

Emphasis: To go over all the class material covered during the week and to prepare for the upcoming homework, quiz and/or exam; to work on the chapter summaries.

Week 5

Day 21 - Chapter 20. Income Inequality and Poverty

Focus: 1. Inequal distribution of income is often associated with wage differentials and can lead to poverty. 2. Emphasis on government anti-poverty policy to reduce it.

Day 22 - Chapter 21. The Theory of Consumer Choice

Concentration: 1. What consumer can afford is usually associated with the budget constraint and what consumer wants is determined with its preferences on the indifference curves. 2. Consumer choices are optimized from the indifference curves along with the income and prices effects; income and substitution effects

Day 23 - Review session

Emphasis: To go over all the class material covered during the week and to prepare for the upcoming homework, quiz and/or exam; to work on the chapter summaries.

⇒ **Quiz 4 (Covers Chapters 17, 18, 19, 20 and 21 and it will be used to test the students understanding of the areas covered) – Must be submitted online by the end of the day.**

⇒ **Homework 4 (Covers Chapters 17, 18, 19, 20 and 21 and it will be used to assess the students understanding of the areas covered) – Must be submitted online by the end of the day.**

⇒ **Chapter Summary 4 (Covers Chapters 17, 18, 19, 20 and 21 and it will**

be used by students to prepare for Quiz 4, Homework 4 and Exam 2)
→ Must be posted online on the Discussion Board and available to all the students by the end of the day.

Day 24 - Exam 2 (Covers Chapters 13, 14, 15, 16, 17, 18, 19, 20 and 21)

Emphasis: Review session about Exam 2 followed by the second exam
→ Must be submitted online by the end of the day.

Day 25 - Questions and Answers

Course Requirements

1. Students are expected to read the required readings prior to the class session in which they are discussed.
2. Class Conduct: Consistent, respectful and informed participation is expected from every student in the course.
3. I will respond to emails in a timely manner. It is best to make an appointment or speak to me after lecture.
4. It is your responsibility to keep me updated with attendance, email, etc.
5. Please check your email regularly for instructions and readings.

Grading Policy

Your grade will be based on quizzes, homework, exams, and participation.

Quizzes:	Four quizzes	20%
Exams:	Two exams	50%
Homework:	Four homework assignments	20%
<u>Participation:</u>		<u>10%</u>
TOTAL		100%

Quizzes:

For this five-week course, there will be four Quizzes. First Quiz will be on the Sixth day of the course including the testing of the mathematical skills required for this class.

Second Quiz will be on Day 13. Third Quiz will be on Day 18. Fourth Quiz will be on day 23. All the quizzes must be submitted online by the deadline. Each quiz, consisting of 50 questions, is worth 3 points per question for a total of 150 points per quiz. The four quizzes will be worth 600 points. Each quiz will test students on the material covered after the previous quiz or exam.

More importantly, there are 15 bonus points per quiz for a total of 60 bonus points for the four quizzes. Therefore, 60 bonus points will be added as extra credit to the total quiz score of each student. In addition, there is a time limit of 90 minutes or 1 hour 30 minutes to complete each quiz. Consequently, students must complete and submit each quiz within 90 minutes. Once students begin the quiz, the clock begins to tick, and students will not be able to access the quiz after the expiration of 90 minutes.

Quiz 1 must be submitted online by the Monday of Week 2 (Day 6 of the course).

Quiz 2 must be submitted online by the Wednesday of Week 3 (Day 13 of the course).

Quiz 3 must be submitted online by the Wednesday of Week 4 (Day 18 of the course).

Quiz 4 must be submitted online by the Wednesday of Week 5 (Day 23 of the course).

Quizzes are worth 20% of your class grade.

Homework:

For this five-week course, there will be four Homework Assignments. First Homework will be on the Sixth day of the course including the testing of the mathematical skills required for this class. Second Homework will be on Day 13. Third Homework will be on Day 18. Fourth Homework will be on day 23. All the homework assignments must be submitted online by the deadline. Each homework, covering several chapters, is worth 150 points. Therefore, the four homework assignments will be worth 600 points.

More importantly, there is a 50% extra credit built into the total score of the homework. As a result, the total score of the homework will be multiplied by 1.5 to get the final actual score of the homework. The final actual score of the homework will be capped at 100%. For instance, given a maximum of 600 points available on the homework, if someone earns a total score of 400 points on the homework, her final actual score would be the full 600 points ($400 \times 1.5 = 600$ points or 100%); if someone earns a total score of 360 points on the homework, her actual final score would be 540 points ($360 \times 1.5 = 540$ points or 90%); if someone earns a total score of 320 points on the homework, his actual final score would be 480 points ($320 \times 1.5 = 480$ points or 80%); if someone earns a total score of 280 points on the homework, his actual final score would be 420 points ($280 \times 1.5 = 420$ points or 70%); finally, if someone else earns a total score of 420 points on the homework, her actual final score would be the full 600 points ($420 \times 1.5 = 630$ points, but capped at 600 points or 100%).

Homework 1 must be submitted online by the Monday of Week 2 (Day 6 of the course).

Homework 2 must be submitted online by the Wednesday of Week 3 (Day 13 of the course).

Homework 3 must be submitted online by the Wednesday of Week 4 (Day 18 of the course).

Homework 4 must be submitted online by the Wednesday of Week 5 (Day 23 of the course).

Homework assignments are worth 20% of your class grade.

Exams:

For this five-week course, there will be two equally weighted exams. The exams must be submitted online by the deadline. Each exam, consisting of 150 questions, is worth 3 points per question for a total of 450 points per exam. The two exams will be worth 900 points. Each exam will test students on the material covered after the previous two quizzes. Moreover, the second exam will test students on the material covered after the first exam.

More importantly, there are 25 bonus points per exam for a total of 50 bonus points for the two exams. Therefore, 50 bonus points will be added as extra credit to the total score of two exams (i.e. 25 bonus points per exam) for each student. In addition, there is a time limit of 270 minutes or 4 hours 30 minutes to complete each exam. Consequently, students must complete and submit each exam within 270 minutes. Once students begin the exam, the clock begins to tick, and students will not be able to access the exam after the expiration of 270 minutes.

Exam 1 must be submitted online by the Thursday of Week 3 (Day 14 of the course).

Exam 2 must be submitted online by the Thursday of Week 5 (Day 24 of the course).

Each Exam is worth 25% of your class grade for a total of 50%.

Grading System

The instructor will use the grading system as applied by JNU:

Definition	Letter Grade	Score
Excellent	A	90~100
Good	B	80~89
Satisfactory	C	70~79
Poor	D	60~69

Failed	E	Below 60
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Academic Integrity

As members of the Jinan University academic community, students are expected to be honest in all of their academic coursework and activities. Academic dishonesty, includes (but is not limited to) cheating on assignments or examinations; plagiarizing, i.e., misrepresenting as one's own work any work done by another; submitting the same paper, or a substantially similar paper, to meet the requirements of more than one course without the approval and consent of the instructors concerned; or sabotaging other students' work within these general definitions. Instructors, however, determine what constitutes academic misconduct in the courses they teach. Students found guilty of academic misconduct in any portion of the academic work face penalties that range from the lowering of their course grade to awarding a grade of E for the entire course.