

ECO-213, Introduction to Microeconomics

Cr Hrs: 3.0

Course Description

The purpose of this course is to offer students a thorough understanding of core concepts and methods of microeconomics as a foundation for subsequent study of economic theory and advanced topics within the degree program. This course focuses on the theory of decision-making by individuals – consumers, households, firms, and the public sector – under different market conditions, including perfect competition, monopoly, and oligopoly. The course explains how the basic supply and demand mechanism leads to determination of prices, attainment of equilibrium, and allocation of scarce resources within the economy. Throughout the course, critical thinking to analyze microeconomic problems using real-world examples will be encouraged and students will be offered tools to conduct basic policy analysis.

The course requires prior knowledge of basic concepts of economics and simple calculus (such as differentiation).

Course Objectives

Upon completion of the course it is expected that students should be able to understand:

- The basic issues of microeconomics,
- Consumer, household, and firm behavior,
- The different types of market structures, and
- The microeconomic principles that are used to build theories of economic behavior

Learning Outcomes

- Critical thinking – analyze information, utilize logic and microeconomic models, recognize patterns and rationality to form optimal conclusions, recognize and evaluate assumptions
- Economic Awareness – understand the environment in which markets operate and apply microeconomic concepts to explain situations encountered in the real world

Required Course Material

Course Content (Weekly)			
Week	Lecture Topic	Readings (Chapters)	

1	Introduction to Microeconomics <ul style="list-style-type: none"> Philosophy of Economics Capitalism Market Mechanism 	1 (PR)	
2	The Supply and Demand Model <ul style="list-style-type: none"> The Laws of Demand and Supply Factors affecting Demand and Supply Consumer and Producer Surplus Concept of Elasticity Price determination Comparative Static Analysis 	2 (PR)	
3	Consumer Behavior <ul style="list-style-type: none"> Consumers' Preferences Indifference Curves The Budget Constraint 	3 (PR)	
4	Individual and Market Demand	4 (PR)	
5	Production <ul style="list-style-type: none"> The Input-Output Relationship Concept of Returns to Scale Concept of Isoquants Different types of Production Functions 	6 (PR)	
6	Cost of Production <ul style="list-style-type: none"> Concept of AC, MC, AVC, TC etc. Relationship between Productivity and Cost 	7 (PR)	
7	Profit-maximization and Competitive Supply <ul style="list-style-type: none"> Concept of Perfect Completion Short-run and Long-run Equilibrium of the Firm The Firm and Industry Supply Curve 	8 (PR)	
8	Analysis of Competitive Markets	9 (PR)	
9	Midterm Examinations		
10	Market Power – Monopoly <ul style="list-style-type: none"> Single Monopoly and Monopoly Power 	10 (PR)	

	<ul style="list-style-type: none"> • Determination of Price and Quantity under Monopoly • Price Discrimination 		
11	Pricing with Market Power <ul style="list-style-type: none"> • Elasticity-based markup formulas to determine profit maximizing prices • Formulate pricing strategies that permit firms to extract additional surplus from consumers • Peak-load Pricing, Brand Loyalty Program etc. 		
12	Monopolistic Competition and Oligopoly <ul style="list-style-type: none"> • Concept of Monopolistic Completion and Oligopoly • Cournot, Bertrand, Kinked Demand Curve Models 	12 (PR)	
13,14	Game Theory and Competitive Strategy <ul style="list-style-type: none"> • One-shot Games • Infinitely Repeated Games • Finitely Repeated Games 	13 (PR)	
15	Markets with Asymmetric Information	17 (PR)	
16	Externalities and Public Goods	18 (PR)	
17	Buffer Week		
18	Final Examinations		