PRINCIPLES OF MICROECONOMICS

COURSE TITLE	PRINCIPLES OF MICROECONOMICS	COURSE CODE-SECTION	ECO1103-11
CREDIT	3	CLASS PERIOD	09:30~12:00
OFFICE	N/A	OFFICE HOURS	Tuesday & Thursday 12:00- by appointment
INSTRUCTOR	SUK HO KIM	EMAIL	sukhokim@yonsei.ac.kr

[COURSE INFORMATION]

COURSE DESCRIPTION & BRIEF INTRODUCTION OF THE COURSE	Principles of Microeconomics provides philosophical overview of what economics is along with the detailed discussion of the essence of microeconomics. Microeconomics assumes each individual as rational economic man while there can be mechanisms through which pursuing self interest achieves desirable(ethical) outcomes for all. Consumer theory considers the way we make rational choices under constraints. Producer theory considers competitive market which achieves Pareto Optimum and Equity! And then it compares with monopoly, monopolistic competition and oligopoly which are models closer to realities. Once we study the theory of value in the commodity market, we will move to the markets for factors of production and may think about the issue of income inequality. Throughout this course you will be led to think about the way for you to be successful and happy. In this course we will study not only economic theory in abstract form but also the workings (or failings) of real economy through comprehensive economic thinking. Alongside usual diagrams and standard equations, stories will be told to let you understand economics and the economy

COURSE GOALS	1. to understand the essence of economics and the economy
	2. to learn the way to behave rationally as a consumer
	3. to learn the way to behave rationally as a producer
	4. to be more successful and happier applying knowledge in economics

COURSE METHODS (100% TOTAL)	LECTURE	PRACTICE TRAINING	PRESENTATION	DEBATE	TEAM PROJECT
	100	-	-	-	-

GRADING POLICY (100% TOTAL)	MIDTERM	FINAL EXAM	QUIZ	INDIVIDUAL ASSIGNMENT	TEAM ASSIGNMENT	ATTENDANCE	OTHERS
	40	40	-	10	-	10	-

PREREQUISITE	None other than intellectual curiosity, pure mind & enthusiasm

COURSE REQUIREMENTS	To attend Lecture & participate in Discussion - Using examples from our daily lives, live discussion will be done to arrive at comprehensive understanding of economic theory - Along with models, story-telling methods will be employed To take both Midterm Exam & Final Exam To submit worked-out problem sets which will help you in preparing for the exams

TEXTS & REFERENCES	N. G. Mankiw, *Principles of Economics* Cengage Paul Krugman and Robin Wells, *Economics* Macmillan

[WEEKLY SCHEDULE]

WEEK	DAILY TOPIC & CONTENTS	COURSE MATERIAL & ASSIGNMENTS	REFERENCE
WEEK1 (December 27, 2024 ~ January 3, 2025)	1. What is Economics?	Economics as the study of a rational choice under scarcity to maximize not only self-interest but also empathy	Mankiw ch.1,2
	2. Cardinal Utility Theory of Value	The Law of Diminishing Marginal Utility & the Law of Equi-Marginal Utility	Mankiw ch.21
	3. Law of Demand and Supply	Determinants of demand and supply. To define a market: substitutes, complements, independents	Mankiw ch.4,6
	4. Consumer Surplus & Producer Surplus	Willingness to Pay as determinant of the height of Demand. To calculate CS & PS from demand curve and supply curve.	Mankiw ch.7
	5. Ordinal Preferences Theory of Value	To maximize preferences, the slope of the indifference curve, or the Marginal Rate of Substitution must be equal to the slope of the price line or Relative Price	Mankiw ch.21
WEEK 2 (January 6, 2025 ~ January 10, 2025)	6. Elasticity of Demand & Supply *Problem Set #1	Price Elasticity of Demand and supply Income Elasticity of Demand Cross price Elasticity of Demand	Mankiw ch.5
	7. Applications of the law of supply and demand	Short run and Long run effect of Price Ceiling & Price Floor. Tax Incidence Economics as Consequential Ethic	Mankiw ch.6
	Midterm Exam 8. Firm Theory	Firm is born to reduce transaction cost Economic Profit vs. Accounting profit	Mankiw ch.13
	9. Production Function	Short run and long run production function, Marginal Product of Labor, Isoquant	
	10.Cost of Production	Fixed Cost and Variable Cost. Marginal cost, Average Cost in the short run and long run. Relationship between MC &AC	
WEEK3 (January 13, 2025 ~ January 17, 2025)	11.Competitive Market *Problem Set #2	Competitive market ensures not only efficiency but also fairness. Short run shutdown & Long run exit. Dynamics	Mankiw ch.14
	12.Monopoly *Problem Set #3 *Problem Set #4	Causes of monopoly, Natural monopoly, inefficiencies/deadweight loss/unfairness, Price Discrimination & two-sided market	Mankiw ch.15
	13.Monopolistic Competition	Edward Chamberlin & Joan Robinson's insight regarding Product Differentiation & Monopolistic Competition	Mankiw ch.16
	14.Oligopoly	Firm's behavior either to drive rivals out of the market or engage in collusion; Analysis of the Prisoner's Dilemma	Mankiw ch.17
	15.The Markets for the Factors of Production	Derived demand. Supply of the labor as choice between work and leisure, Determinant of income & inequality issue	Mankiw ch.18,19,20
	Final Exam		