

University of International Business and Economics International Summer School

ECON 104 Microeconomics

Term: May 28 – June 28, 2018

Instructor: Kevin H. Zhang

Home Institution: Illinois State University

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Class Hours: Monday through Thursday, 120 minutes each day

Office Hours: TBD

Discussion session: 2 hours each week

Total Contact Hours: 66 contact hours (45 minutes each)

Credit: 4 units

Course Description:

Economics introduce you to the "economic way of thinking". The central fact that underlines economics is the fact of "scarcity". By this it is meant that our wants exceed the goods freely available from nature - hence choices must be made among the many things we want. This leads to the fundamental economic questions, which face all societies: *What* to produce? *How* to produce? and *For Whom* to produce? But economics is much broader in scope than this; it is the study of wise decision-making in all areas of life. Microeconomics focuses on individual behavior, addressing the way in which individual firms and consumers make their production and consumption decisions. Macroeconomics focuses on the economy as a whole and determinants of such key macroeconomic variables as economic growth, unemployment, and inflation.

Course Goals:

When you have completed this course, you should be able to do following:

- ✧ Apply basic microeconomic concepts to your daily life as well as specific situations;
- ✧ Identify basic microeconomic concepts used in daily mass media;
- ✧ Interpret economic data, e.g., data on prices and quantities of specific goods and services;
- ✧ Critically evaluate the claims of politicians and other policymakers regarding the welfare effects of their proposals.

Required Text:

N. Gregory Mankiw, *Principles of Microeconomics*, 7th Edition, South-Western Cengage Learning, USA, 2015. This text is available in a Kindle edition.

Grading Policy:

Your grades are based on a total of 340 points, which are acquired as follows:

3 Exams	= 200 points total, 59% of semester grade
3 Homework Sets	= 100 points total, 29% of semester grade
Attendance	= 40 points, 3 points are taken off if missing one class
Total	= 340

Exams: Three exams are non-comprehensive and each exam consists of 30-40 multiple-choice questions. Please note that NO MAKE-UP EXAMS WILL BE GIVEN.

Homework: Three homework sets are distributed during the course in order to give you practice working with the concepts introduced in the class and also to prepare you for the exams. Homework serves as a sample exam in the sense that their questions are similar to those of exams in topics, difficulty degree, and number of questions. The failure to try all questions is viewed as an indication of lack of effort, besides costing you the points you could have earned on the homework.

Grading Scale:

Assignments and examinations will be graded according to the following grade scale:

A	90-100	C+	72-74
A-	85-89	C	68-71
B+	82-84	C-	64-67
B	78-81	D	60-63
B-	75-77	F	below 60

Class Rules:

Students are expected to:

- ✧ Attend all classes and be responsible for all material covered in class and otherwise assigned. Any unexcused absence may impact a student's grade.
- ✧ Complete the day's required reading and assignments before class
- ✧ Review the previous day's notes before class; make notes about questions you have about the previous class or the day's reading
- ✧ DO NOT text, phone or engage in computer activities unrelated to class during class time
- ✧ Participate in class discussions and complete required written work on time

Attendance Policy:

Summer school is very intense and to be successful, students need to attend every class. Attendance will be recorded. Occasionally, due to illness or other unavoidable circumstance, a student may need to miss a class. Any unexcused absence may impact on the student's grade. Moreover, UIBE policy is that a student who has missed more than one-third of a course will fail the course. You would lose 3 points if you miss one class without excuse.

Course Schedule:

The planned schedule below may be modified to suit the interests or abilities of the enrolled students or to take advantage of special opportunities or events that may arise during the term.

Dates	Topic	Readings
28-29 May	Introduction to Economics	Chapters 1-3
30-31 May	Demand, Supply, and Markets	Chapters 4-5
4 -5 June	Elasticity, Government and Market Efficiency	Chapter 6-7
6 June	Summary and Review	Chapters 1-7

7 June	<i>Midterm Exam One</i>	
11-12 June	Costs of Taxation and International Trade	Chapters 8-9
13-14 June	Production Costs and Perfect Competition	Chapters 10-11
18 June	Summary and Review	Chapters 8-11
19 June	<i>Midterm Exam Two</i>	
20-21 June	Monopoly and Monopolistic Competition	Chapters 12-13
25-26 June	Oligopoly and Consumer Choices	Chapters 14-15
27 June	Summary and Review	Chapters 12-15
28 June	<i>Final Exam</i>	

Course Outline:

I. Introduction

1. Ten principles of economics
2. Thinking like an economist
3. Interdependence and the gains from trade

II. How Markets Work

4. The market forces of supply and demand
5. Elasticity and its application
6. Supply, demand and government policies

III. Markets and Welfare

7. Consumers, producers, and the efficiency of markets
8. Application: the costs of taxation
9. Application: international trade

IV. Firm Behavior and the Organization of Industry

10. Costs of production
11. Firms in competitive markets
12. Monopoly
13. Monopolistic competition
14. Oligopoly

V. Advanced Topic: The Consumer Theory

15. The theory of consumer choice