



National Taiwan University of Science and Technology

2018 Summer Program

ECON 201 Intermediate Microeconomics

Course Outline

Course Code: ECON 201

Instructor: TBA

Office Hours: By appointment

Email: TBA

Credit: 4

Course Description

You've seen Econ 101, and you know that economics is the social science of choices. Now it's time to introduce you to the way that economists build mathematical models to understand these choices. Microeconomics is micro because its goal is to capture the motivation of individual economic agents – person, household, firm or government – and how they interact in markets. Knowledge of basic concepts is assumed, and new tools are developed to analyze individual decision making under constraints. We will look into consumer and firm maximization problems, and the General and Partial equilibrium models, imperfect competition models and some game theory fundamentals at the end of the quarter. Most of the topics will include theoretical derivations as well as real life applications.

Course Objectives

The goals for learning in ECON 201 fall into a couple of categories:

Fundamental Knowledge

- Understand and be able to use microeconomic terminology
- Understand that the highest-valued alternative foregone is the opportunity cost of what is chosen

- Understand how individuals and firms make themselves as well off as possible in a world of scarcity
- Understand how prices inform the decisions about which goods and services to produce, how to produce them, and who gets them
- Understand how government policies affect the allocation of resources in a market economy
- Understand how market structure influences the allocation of resources

Applications

- Use microeconomic principles and diagrams to understand and explain economic events and other social phenomena
- Use basic calculus to solve optimization problems
- Use economic reasoning to explain the strategic choices of individuals or organizations
- Critique the economic content of articles or presentations
- Appreciate the usefulness of economic reasoning in personal decision making

Prerequisite

Students are expected to have completed Principles of Microeconomics and Calculus. Although we will review the mathematical tools that we are going to be using, some prior fundamental understanding of functions and derivatives is absolutely necessary to be successful in this class.

Textbook

Intermediate Microeconomics: A Modern Approach, Hal Varian, 9th edition, Norton, 2014.

If you find a used copy of a previous edition, that will be fine.

In addition to readings from the textbook, topical readings from such publications as *The Economist*, *The Wall Street Journal*, *The New York Times*, *Financial Times*, and *Business Week* will occasionally be sent to students. In general, you will find the course material more interesting if you read articles in the popular press on economics and business as the course progresses and try to apply what you have learned to real-world events.

Course Requirements

There will be one mid-term exam, one final exam and some homework. The contribution of each towards the final grade are as follows.

Mid-term Exam: 30%

Final Exam: 30%

Homework: 20%

Class Participation: 20%

Grading

94 and above	A
93-90	A-
89-87	B+
86-84	B
83-80	B-
79-77	C+
76-74	C
73-70	C-
69-67	D+
66-64	D
63-60	D-
Below 60	F

In-Class Ethics

Please ensure an effective learning environment for the whole class by refraining from texting, surfing on the web, using your cell phone, etc.

Please avoid disrupting other students by coming late or leaving midway in the class. (If you must leave early for a good reason, let me know in advance and sit near the door.)

Laptops for note-taking are okay, but it is up to you to restrict its use to coursework.

Schedules

Week 1

1. Review of Principles of Microeconomics
2. Chapter 1 The Market
3. Chapter 2 Budget Constraint
4. Chapter 3 Preferences
5. Discussion Session

Week 2

1. Chapter 4 Utility
2. Chapter 5 Choice
3. Chapter 6 Demand
4. Chapter 32 Exchange
5. Discussion Session

Week 3

1. Chapter 19 Technology
2. Chapter 20 Profit Maximization
3. Mid-term Exam
4. Cost Minimization
5. Discussion Session

Week 4

1. Chapter 22 Cost Curves
2. Chapter 23 Firm Supply
3. Chapter 24 Industry Supply
4. Chapter 25 Monopoly and Chapter 26 Monopoly Behavior
5. Discussion Session

Week 5

1. Chapter 28 Oligopoly
2. Chapter 29 Game Theory
3. Chapter 14 Game Applications
4. Final Exam
5. Review

