



Shanghai Jiao Tong University

EC107 Microeconomics

Term: July 3 – August 3, 2017

Instructor: Ernest Lai

Home Institution: Lehigh University

Email: kwl409@lehigh.edu

Class Hours: Monday through Thursday, 8:00 – 10:00am

Discussion Session: 2 hours per week

Total Contact Hours: 66 contact hours (45 minutes each, 3000 minutes in total)

Credit: 4 units

Course Description

Economics is a social science that studies choice behavior. Microeconomics is a branch of economics in which the focus of the analysis is on individuals; it deals with how individual consumers, households, and firms make choices, primarily in a market setting.

This introductory course will expose you to the fundamental concepts in microeconomics and introduce you to the essential analytical tools economists use to analyze decision makings. How these individual choices interacted to determine the market outcomes will also be covered. At a higher level, this course introduces you to a way of thinking that is used by economists.

The course will be conducted in the form of lectures, where I will, using the traditional board and chalk, think alongside with you when I walk you through the building blocks of microeconomics.

Course Goals

Upon finishing the course, you are expected to be able to:

- ✧ demonstrate understanding of the basic concepts in microeconomics, which include marginal analysis, market equilibrium, market efficiency, and market failure; and
- ✧ demonstrate the ability to apply the basic tools of microeconomics to analyze simple economic and social phenomena.

Required Text

For students taking Microeconomics only: N. Gregory Mankiw. 2017. *Principles of Microeconomics*. 8th ed. South-Western College Pub.

For students taking both Microeconomics and Macroeconomics: N. Gregory Mankiw. 2017. *Principles of Economics*. 8th ed. South-Western College Pub.



Grading Policy

Evaluation of your performance will be based on the following:

- Problem Sets (×4): 20%
- Midterm exam (July 20): 40%
- Final exam (August 3): 40%

The midterm and the final are closed-book. Each consists of 20 multiple-choice questions and one or two problems.

| Number grade | Letter grade | GPA |
|--------------|--------------|-----|
| 90-100 | A | 4.0 |
| 85-89 | A- | 3.7 |
| 80-84 | B+ | 3.3 |
| 75-79 | B | 3.0 |
| 70-74 | B- | 2.7 |
| 67-69 | C+ | 2.3 |
| 65-66 | C | 2.0 |
| 62-64 | C- | 1.7 |
| 60-61 | D | 1.0 |
| ≤59 | F (Failure) | 0 |

Course Schedule (Subject to Changes)

Week 1

| | | |
|--------|-----------|--|
| July 3 | Chapter 1 | Ten Principles of Economics |
| | Chapter 2 | Thinking Like an Economist |
| July 4 | Chapter 3 | Independence and the Gains from Trade |
| July 5 | Chapter 4 | The Market Forces of Supply and Demand |
| July 6 | Chapter 5 | Elasticity and Its Application |

Week 2

| | | |
|---------|-----------|---|
| July 10 | Chapter 6 | Supply, Demand, and Government Policies |
| July 11 | Chapter 7 | Consumers, Producers, and the Efficiency of Markets |
| July 12 | Chapter 8 | Application: The Costs of Taxation |



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|---------------|--------------|---|
| July 13 | Chapter 9 | Application: International Trade |
| Week 3 | | |
| July 17 | Chapter 10 | Externalities |
| July 18 | Chapter 11 | Public Goods and Common Resources |
| July 19 | Chapter 13 | The Costs of Product |
| July 20 | Midterm exam | |
| Week 4 | | |
| July 24 | Chapter 14 | Firms in Competitive Markets |
| July 25 | Chapter 15 | Monopoly |
| July 26 | Chapter 17 | Oligopoly |
| July 27 | Chapter 18 | The Markets for the Factors of Production |
| Week 5 | | |
| July 31 | Chapter 19 | Earnings and Discrimination |
| August 1 | Chapter 20 | Income Inequality and Poverty |
| August 2 | Chapter 22 | Frontiers of Microeconomics |
| August 3 | Final exam | |