

MICROECONOMICS

Shandong University of Finance and Economics

Course Code: 01200011

Total Number of Instruction Hours: 51

Number of Credits: 3

Lecturer:

E-mail:

About this Course

Microeconomics is an introductory undergraduate course that teaches the fundamentals of microeconomics. At SDUFE, this is the first course that undergraduates take in economics. And it provides a solid foundation for economic analysis and thinking that can last throughout their education and subsequent professional careers, support the study in economics, business, management and other related fields.

This course begins with an introduction to supply and demand and the basic forces that determine equilibrium in a market economy. Next, it introduces a framework for learning about consumer behavior and analyzing consumer decisions. We then turn our attention to firms and their decisions about optimal production, and the impact of different market structures on firms' behavior. The final section of the course provides an introduction to some of the more advanced topics that can be analyzed using microeconomic theory. These include international trade, the impact of uncertainty on consumer behavior, the operation of capital markets, equity vs. efficiency trade-offs in economic policy and social insurance.

By the end of the course, you will be able to understand introductory microeconomic theory, solve basic microeconomic problems, and use these techniques to think about a number of policy questions relevant to the operation of the real economy.

Prerequisites and Preparation

basic algebra and calculus.

Course Goals

After completing this course, students should have developed a range of skills enabling them to understand economic concepts and use those concepts to analyze specific questions.

By the end of this course, students should be able to:

- Understand consumer behavior.
- Understand firm behavior.
- Analyze different types of market structures (monopoly, oligopoly and a competitive market).
- Understand how to apply economic principles to a range of policy questions.

Students should also have the skills needed to:

- Use supply and demand diagrams to analyze the impact of overall changes in supply and demand on price and quantity.
- Solve a consumer's utility maximization problem mathematically and graphically; analyze the impact of changes in price and income on a consumer's decision via shifting income and substitution effects.
- Understand the consumer's labor supply decision.
- Solve a firm's cost minimization problem mathematically and graphically.
- Analyze the behavior of firms in a perfectly competitive market in the short-run and the long-run.
- Calculate producer and consumer surplus.
- Analyze the behavior of firms in a monopoly or oligopoly, and calculate the resulting changes in producer or consumer surplus.
- Understand consumer behavior under uncertainty.
- Use economic tools to analyze economic policies.

Course Components and Requirements

- Assigned readings
- Lectures
- Six problem sets
- One midterm exams
- Final Exam

Assigned Readings

Topical material and additional reading for class discussion may be assigned during the semester.

Deliverables and Grading

Method of evaluation and grading:

- 1) There will be six mandatory problem sets which will be individually graded. At the end of the term students will have the best eight homework grades cumulated up and this will count for 10% of the final course grade.
- 2) There will be one midterm exam which count as 20% of the grade.
- 3) There will also be a two hour final, which will be cumulative and cover all of the course materials. This will count as the remaining 70% of the grade.