PRINCIPLES OF MICROECONOMICS in Spring 2021 (EC2010A)

Course Code	EC2010A	**Professor(s)**	Carla Canelas
Prerequisites	None	**Office Number**	G-205
Class Schedule	M: 09:00-10:20 in Q-A101 R: 13:45-15:05 in Q-A101	**Office Hours**	By appointment
Credits	4	**Email**	ccanelas@aup.edu
Semester	Spring 2021	**Office Tel. Ext.**	

Course Description

This course provides a general introduction to the subject of microeconomics. The course will begin with an explanation of why economics has become a subject of scientific inquiry; how as a social science it resembles and differs from other scientific subjects; the basic problems that it addresses and the manner in which it attempts to solve them. The main body of the course will deal with the mechanism of resource allocation in a market economy and the behaviour of the principal micro level agents; the household and the firm. In the last part of the course different market structures and their effect on the economy will be examined. Throughout the course, when pertinent, outside reading material on world economic events related to the course subject material discussed in class will be provided to students. (level of math: graphing of the very simple linear equations, the slope and intercepts of such equations, and solving these equations)

Course Learning Outcomes

Defining scarcity, choice, efficiency and opportunity cost using PPF.
Interpreting core economic concepts through its graphical presentation and basic mathematical expression.
Identify different types of market structures (monopoly, oligopoly and a competitive market).
Describe consumer behavior and their decision making process through utility and indifference theories.
Describe the theory of the firm, market structure, perfect and imperfect competition, laws of production, cost and profit maximization.

General Education

The general education program at AUP consists of four requirements: Speaking the World, Modeling the World, Mapping the World, and Comparing Worlds Past and Present. This course can be used to fulfill the GE110 or Mapping the World requirement and as such has the following learning objectives:

- **Analyzing how the market system functions from a microeconomic perspective**
- **Analyzing and discussing the behavioral underpinning of consumers and producers**
- **Placing economic performances and experiences in a comparative perspective**

Course Outline

Tentative Outline subject to change.

The following chapters in the Arnold text will be covered in following order: Chapter number) Title of Chapter; assigned pages to be read. The line below: Modifications

A. Part 1: Economics: The Science of Scarcity

1) What economics is about? 1- 41 Including Appendix A

2) Production Possibilities Frontier Framework: 42- 56

3) Supply and Demand: Theory: 57-89
(Skip: 3-3f. Equilibrium in terms of Consumers' and Producers' Surplus, 77-80)

MID-TERM EXAM Thursday, February 11, 2021

B. Part 8: Microeconomic Fundamentals & Part 1: Economics: The Science of Scarcity

20) Elasticity: 441- 467
(Skip: The Relationship between taxes and Elasticity: 460-464)

4) Prices: Free, Controlled and Relative: 90-106
(Skip: 4-3 Two Prices: Absolute and Relative, 100- 103)

MID-TERM EXAM (cumulative) Thursday, March 18, 2021

C. Part 8: **Microeconomic Fundamentals & Part 1: Economics: The Science of Scarcity**

21) Consumer choice: Maximizing Utility and Behavioral Economics: 468 - 494 Including Appendix E: Budget constraints and Indifference curve analysis

3) Supply and Demand: Theory: 3-3f. Equilibrium in terms of Consumers' and Producers' Surplus: 77-80 22) Production and Costs: 495 - 525

MID-TERM EXAM (cumulative) Thursday, April 8, 2021

D. **Part 9: Product Markets and Policies**

23) Perfect Competition: 526- 553

24) Monopoly: 554- 567
(Skip: 24-5 Price Discrimination: 567- 571)

25) Monopolistic Competition, Oligopoly and Game Theory: 567- 585 (Skip: 25-4 Game Theory, Oligopoly and Contestable Markets)

FINAL EXAM (cumulative) May 10 2021

Textbooks

Title	Author	Publisher	ISBN	Required
Economics (with Digital Assets, 2 term (12 months) Printed Access Card) , 12th Edition	Roger A. Arnold	Cengage	9781285738338	Yes

Attendance Policy

Students studying at The American University of Paris are expected to attend ALL scheduled classes, and in case of absence, should contact their professors to explain the situation. It is the student's responsibility to be aware of any specific attendance policy that a faculty member might have set in the course syllabus. The French Department, for example, has its own attendance policy, and students are responsible for compliance. Academic Affairs will excuse an absence for students' participation in study trips related to their courses.

Attendance at all exams is mandatory.

IN ALL CASES OF MISSED COURSE MEETINGS, THE RESPONSIBILITY FOR COMMUNICATION WITH THE PROFESSOR, AND FOR ARRANGING TO MAKE UP MISSED WORK, RESTS SOLELY WITH THE STUDENT.

Whether an absence is excused or not is ALWAYS up to the discretion of the professor or the department. Unexcused absences can result in a low or failing participation grade. In the case of excessive absences, it is up to the professor or the department to decide if the student will receive an “F” for the course. An instructor may recommend that a student withdraw, if absences have made it impossible to continue in the course at a satisfactory level.

Students must be mindful of this policy when making their travel arrangements, and especially during the Drop/Add and Exam Periods.

Grading Policy

Midterm exam 1: 20 %

Midterm exam 2: 20 %

Midterm exam 3: 20 %

Final exam: 20 %

Homework: 20%

Other