

Assumption University  
Department of Business Economics  
Section 422: M/W 10.15-12, SM308  
Section 423: M/W 12-13.45, SM305  
Section 424: M/W 15.30-17.15, SM305

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LMS: <http://lms.au.edu/course/view.php?id=213>  
Class Web: [www.deefred.net/Dee](http://www.deefred.net/Dee)

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**BG 2401: MICROECONOMICS  
UNDERGRADUATE**

**SECOND TERM 2011**

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This is a syllabus specifically for those who take BG 2401: Microeconomics with this instructor, and hence it discusses issues that are applicable to students in sections 422-424 only. See the course common syllabus for issues that applies to all students who take the course this semester.

**Language of Instruction**

English is the only language of instruction for this course. This means you must communicate in English with the instructor both in and outside of classroom (such as writing the exam or seeking help during office hours). You must also speak to your classmate in English during class. (This policy is imposed to maintain the quality, and more importantly the fairness of my teaching.)

**Class Notes, Readings and Problem Sets**

Class notes, readings and problem sets (with solutions) will be posted on the Class Web. Use them at your own risk. I have tried to eliminate typing errors when preparing these materials. However, it is very likely that there are still (a few) errors in the notes and the solutions. You must use your own judgment when utilizing these materials. (I would appreciate it if you could let me know where the errors are so that the future generation of students can benefit from better class materials.)

Although the problem sets will not be counted towards your grade, it is in your best interest to familiarize yourself with the concepts given in class by solving the problems. (It is very crucial that you do the problem sets on your own instead of just reading the provided solutions.)

**Office Hours and Review**

Regular office hours are listed on the first page. For each quiz and exam, I will schedule extra office hours which will be announced in class a week before the exam. However, you should not let questions accumulate until the week before an exam. It is not healthy to panic at the last minute and it is difficult to work things out under pressure. More importantly, the course materials are highly cumulative. Therefore, there will be a snowballing effect if you do not keep up with the materials. It will be very hard to catch up.

For students with a legitimate time conflict with the office hours, you can make an appointment with me by email when you need help. In addition, I will give review sessions

on Monday January 26 for Quiz I, Wednesday January 11 for the midterm, Monday March 5 for Quiz II and Wednesday March 14 for the final.

### **Communication Policies**

In addition to office hours, please feel free to ask me questions via the Internet. I encourage you to use the forum function in the Learning Management System (LMS) to ask me questions since they may also benefit your classmates. Should you need to contact me via email, please use the email address stated on the first page. You must write the course number and title (BG 2401: Microeconomics) on the email subject. Please do not contact me via any other email addresses (e.g. the au.edu one). I will not open any email without the proper subject heading, nor will I respond to an email sent to other email addresses. For the night before each exam, I will answer your e-mails only if I receive them **BEFORE 10 PM**.

If there is an important announcement (e.g. extra office hours), I will make it on LMS News and Announcements forum. To be able to receive my announcements, you need to be enrolled in the class LMS. Also, make sure your LMS profile has your current email address.

### **Exam Policies**

The score for quizzes, exams, and participation will be posted on the Class Web. You are not allowed to keep your quizzes and exams. If you would like to review your quizzes and exams, please see me during my office hours or make an appointment.

### **Grade Assignment and Participation**

I grade your quizzes and participation. Someone else will grade your midterm and final. (No instructor will grade his/her own exams.) However, I will check whether the exam grading is done fairly, and proceed accordingly. The chair of the Finance and Banking Department is responsible for assigning your course grade.

For class participation, throughout the semester I expect you to share views with the class on the topics during lectures. You should be willing to give out your own opinions, such as whether what we observe in the real world is consistent with the theories we learn in class. I may also randomly ask your thoughts. (As a result, it is in your best interest to read class materials before class.) Your participation mark depends on both the quality and frequency of your participation. Note that I will treat your absence from classes worse than your presence in class with no participation in the discussion or failure to answer my questions.

### **Policies for Those Affected by the Flood**

It is very likely that most (if not all) students taking this course are affected by the 2011 Thai Flood. The following policy is applicable to anyone in the class, regardless of their flood situation. Your 5% class participation will still be graded according to the criteria above. However, it will be based on your participation after January 1, 2012.

### **Academic Integrity**

The instructor and Assumption University value and enforce academic integrity. All students must understand the meaning and consequences of cheating, plagiarism and other academic offences.

## Course Schedule

Dates for topics to be covered are tentative and subject to changes. You are expected to read all readings marked as ● in the reading list. The readings listed as ○ are optional. Ch = Textbook Chapter No. LN = Lecture Note.

Class No	Date	Topics	Remarks	Readings
1	Mon Nov 28	Introduction	<ul style="list-style-type: none"> <li>• What is economics?</li> <li>• Scarcity</li> <li>• Micro vs. Macroeconomics</li> <li>• Economic reasoning and methodology</li> </ul>	<ul style="list-style-type: none"> <li>• Ch1</li> <li>• LN1</li> </ul>
2	Wed Nov 30	Math Review	<ul style="list-style-type: none"> <li>• Slope and intercept of a linear graph</li> <li>• From table to graph</li> <li>• Non-linear graph</li> </ul>	<ul style="list-style-type: none"> <li>○ Ch2, Appendix A</li> <li>○ LN2</li> </ul>
M1	Mon Dec 5	No class		
3	Wed Dec 7	Production Possibility Model	<ul style="list-style-type: none"> <li>• The curve</li> <li>• What shift the curve</li> <li>• Distribution and productive efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Ch2, except pp. 32-41 and 46-53</li> <li>• LN3</li> </ul>
4	Mon Dec 12	Supply and Demand: Part 1	<ul style="list-style-type: none"> <li>• The law of demand and supply</li> <li>• Shift vs. movement along the curve</li> </ul>	<ul style="list-style-type: none"> <li>• Ch4</li> <li>• LN4</li> </ul>
5	Wed Dec 14		<ul style="list-style-type: none"> <li>• The equilibrium</li> <li>• Market analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Ch4</li> <li>• LN4</li> </ul>
6	Mon Dec 19	Supply and Demand: Part 2	<ul style="list-style-type: none"> <li>• Price ceilings and price floors</li> <li>• Excise taxes</li> <li>• Quantity restrictions</li> </ul>	<ul style="list-style-type: none"> <li>• Ch5, except pp. 107-110</li> <li>• LN4</li> </ul>
7	Wed Dec 21	Elasticities	<ul style="list-style-type: none"> <li>• Price elasticity (of demand and supply)</li> <li>• 3 cases of elasticity</li> <li>• Elasticity determinants</li> </ul>	<ul style="list-style-type: none"> <li>• Ch7, except pp. 172-173</li> <li>• LN5</li> </ul>
8	Mon Dec 26		<ul style="list-style-type: none"> <li>• Elasticity and total revenue</li> <li>• Other elasticity (income and cross)</li> <li>• Quiz I review</li> </ul>	<ul style="list-style-type: none"> <li>• Ch7, except pp. 172-173</li> <li>• LN5</li> </ul>

Class No	Date	Topics	Remarks	Readings
9	Wed Dec 28	Consumer Decision	<ul style="list-style-type: none"> <li>• Total vs. marginal utility</li> <li>• Utility maximization</li> </ul>	<ul style="list-style-type: none"> <li>• Ch10, except pp. 250-254</li> <li>• LN6</li> <li>○ Ch10, Appendix A</li> </ul>
M2	Mon Jan 2	No class		
10	Wed Jan 4	Consumer Decision (cont'd)	<ul style="list-style-type: none"> <li>• Indifference curve analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Ch10, except pp. 250-254</li> <li>• LN6</li> <li>○ Ch10, Appendix A</li> </ul>
X1	Sat Jan 7	Quiz I		<ul style="list-style-type: none"> <li>• Ch1, 2, 4, and 5</li> </ul>
11	Mon Jan 9	Producer Decision: Part 1	<ul style="list-style-type: none"> <li>• Overview (profit maximization, short run vs. long run)</li> <li>• Short run production cost (e.g. TC, AVC)</li> </ul>	<ul style="list-style-type: none"> <li>• Ch12</li> <li>• LN7</li> </ul>
12	Wed Jan 11		<ul style="list-style-type: none"> <li>• Short run production cost (cont'd)</li> <li>• Midterm review</li> </ul>	<ul style="list-style-type: none"> <li>• Ch12</li> <li>• LN7</li> </ul>
X2	Wed Jan 18	Midterm Exam		<ul style="list-style-type: none"> <li>• Ch1, 2, 4, 5, 7, 10, and 12</li> </ul>
13	Mon Jan 30	Producer Decision: Part 1 (cont'd)	<ul style="list-style-type: none"> <li>• Short run production cost (cont'd)</li> </ul>	<ul style="list-style-type: none"> <li>• Ch12</li> <li>• LN7</li> </ul>
14	Wed Feb 1		<ul style="list-style-type: none"> <li>• Relationships among TC, AVC, ATC</li> </ul>	<ul style="list-style-type: none"> <li>• Ch12</li> <li>• LN7</li> </ul>

Class No	Date	Topics	Remarks	Readings
15	Mon Feb 6	Producer Decision: Part 2	<ul style="list-style-type: none"> <li>• Long run costs</li> <li>• Economies of scale</li> <li>• Envelope curve</li> </ul>	<ul style="list-style-type: none"> <li>• Ch13, except pp. 312-315</li> <li>• LN8</li> <li>○ Ch13, Appendix A</li> </ul>
16	Wed Feb 8		<ul style="list-style-type: none"> <li>• Long run costs (cont'd)</li> </ul>	<ul style="list-style-type: none"> <li>• Ch13, except pp. 312-315</li> <li>• LN8</li> <li>○ Ch13, Appendix A</li> </ul>
17	Mon Feb 13	Perfect Competition	<ul style="list-style-type: none"> <li>• Market structure summary</li> <li>• Profit maximization (total and marginal approaches)</li> <li>• Short run determination</li> </ul>	<ul style="list-style-type: none"> <li>• Ch14</li> <li>• LN9</li> </ul>
18	Wed Feb 15		<ul style="list-style-type: none"> <li>• Long run determination</li> <li>• Industry/market and firm supply curves</li> </ul>	<ul style="list-style-type: none"> <li>• Ch14</li> <li>• LN9</li> </ul>
19	Mon Feb 20	Monopoly	<ul style="list-style-type: none"> <li>• What creates monopoly</li> <li>• Price and output determination</li> </ul>	<ul style="list-style-type: none"> <li>• Ch15, except pp. 347-348 and 359-360</li> <li>• LN10</li> <li>○ Ch15, pp. 347-348 and 359-360</li> </ul>
20	Wed Feb 22		<ul style="list-style-type: none"> <li>• Price discriminating monopolist</li> </ul>	<ul style="list-style-type: none"> <li>• Ch15, except pp. 347-348 and 359-360</li> <li>• LN10</li> <li>○ Ch15, pp. 347-348 and 359-360</li> </ul>
21	Mon Feb 27	Monopolistic Competition	<ul style="list-style-type: none"> <li>• Price and output determination</li> </ul>	<ul style="list-style-type: none"> <li>• Ch16, except pp. 379-382</li> </ul>
22	Wed Feb 29	Oligopoly	<ul style="list-style-type: none"> <li>• Cartels</li> <li>• Introduction to game theory</li> </ul>	<ul style="list-style-type: none"> <li>• Ch16, except pp. 379-382</li> <li>○ Ch16, Appendix A</li> </ul>

Class No	Date	Topics	Remarks	Readings
23	Mon Mar 5	Welfare Analysis	<ul style="list-style-type: none"> <li>• Productive and allocative efficiency</li> <li>• Welfare loss</li> <li>• Market comparisons</li> <li>• Market failures</li> <li>• Quiz II review</li> </ul>	o Ch15, pp. 347-348
M3	Wed Mar 7	No class		
X3	Sat Mar 10	Quiz II		• Ch12-14
24	Mon Mar 12	Labor Market	<ul style="list-style-type: none"> <li>• Demand and supply of labor</li> <li>• Union</li> </ul>	• Ch19, except pp. 455-458
25	Wed Mar 14		<ul style="list-style-type: none"> <li>• Job discrimination</li> <li>• Evolution of labor market: the gender and race gap</li> <li>• Final review</li> </ul>	• Ch19, except pp. 455-458
X4	Fri Mar 23	Final Exam		• Ch12-16 and 19