



Winter Semester 2020/2021

Introduction to Economics: Microeconomics (30012/30014 – 2 SWS)

1. Objectives

This course aims to equip students with the essential concepts and tools of microeconomics. Students will be introduced to concepts such as opportunity cost, elasticity, efficiency, marginal costs and benefits, economic profit, demand and supply, welfare, externalities, and asymmetric information which will be utilized to analyze business decisions under alternative market structures. Furthermore, students will be made familiar with the reasoning that lies behind diverse governmental interventions in the market and the implications of asymmetric information for markets and business relationships.

2. Intended Learning Outcomes

- Familiarity with fundamental economic concepts such as opportunity cost, elasticity, efficiency, marginal costs and benefits, economic profit, demand and supply, welfare, externalities, and asymmetric information
- Familiarity with the analysis of managerial decisions under alternative market structures such as perfect competition, monopoly, monopolistic competition, and oligopoly.
- Familiarity with the reasoning behind and the implications of diverse governmental interventions in the market and the implications of asymmetric information for markets and business relationships.
- Familiarity with the economic analysis of consumer behavior.
- Understanding the role of fundamental economic concepts and tools for business decisions.
- Capability to apply the fundamental economic concepts and tools in order to analyze the operation of modern market economies.

3. Pre-requisites

None.

4. Teaching and Learning Strategies

This is a block course, which combines classical lectures with some tutorial components. All material will be made available on the e-learning server.

5. Schedule

The course is provided as an intensive block course. This will take place as follows:

<i>Day No.</i>	<i>Day</i>	<i>Date</i>	<i>Time</i>	<i>Room</i>
01	Thursday	19 November	18:00 – 22:00	via Zoom
02	Friday	20 November	09:00 – 19:00	via Zoom
03	Saturday	21 November	09:00 – 15:00	via Zoom

6. Assessment

The course is assessed by a one hour unseen written examination at the end of the term which makes up 50% of the grade of the Module Introduction to Economics. (If the number of participating students is less than five, an oral examination may replace the written one. Students will be informed about the form of examination as soon as possible.) The date of the examination can be found on <https://www.bwl5.uni-bayreuth.de/de/studiendekan/Klausurtermine/>. Students have to register for the examination via CAMPUSonline. Only if students cannot register via CAMPUSonline they can register via e-mail by sending an e-mail to Clara Immler: clara.immler@uni-bayreuth.de. This e-mail must only contain the title of the course, the student's surname, first name, ID number, and degree of study as well as a brief indication why registration via e-mail is required. The registration deadline is one week in advance to the date of the examination. Later registrations will not be accepted.

7. Lecture Programme

<i>Section</i>	<i>Topic</i>	<i>Chapters 9th edn.*)</i>	<i>Chapters 4th edn.**)</i>
1	Course Overview and Introduction	1 & 2	1 & 2
2	The Market and the Principles of Demand and Supply	4	3
3	Elasticity	5	4
4	Policy Interventions, Markets & Welfare	7 - 9	7 - 9
5	The Cost of Production	13	6 & 13
6	Profit Maximisation and Competitive Supply	14	6 & 13
7	Monopoly	15	14
8	Monopolistic Competition and Oligopoly	16 & 17	15 & 16
9	The Theory of Consumer Choice	21	5
10	Externalities & Public Goods	10 & 11	10 & 11
11	Asymmetric Information	22-1	12

*) Mankiw, N.G. (2020), Principles of Microeconomics, 9th edn., Cengage Learning.

***) Mankiw, N.G. & Taylor, M.P. (2017), Microeconomics, 4th edn., South-Western Cengage Learning.

8. Literature

8.1 Core Reading

Participants are expected to read and digest the above indicated chapters of one the following main textbooks:

- Mankiw, N.G. (2020), *Principles of Microeconomics*, 9th edn., Cengage Learning.
- or
- Mankiw, N.G. & Taylor, M.P. (2017), *Microeconomics*, 4th edn., South-Western Cengage Learning.

Students may also use:

- Mankiw, N.G. (2020), *Principles of Economics*, 9th edn., Cengage Learning.
- or
- Mankiw, N.G. & Taylor, M.P. (2017), *Economics*, 4th edn., South-Western Cengage Learning.

which contains the material of the textbook above, but contains also macroeconomic topics, which are not covered in this course.

Earlier editions are also suitable for the purpose of this course. Both books are leading and internationally best-selling textbooks on economic principles, i.e., at an introductory level.

8.2 Supplementary Reading

Other major textbooks written at an introductory level:

- Frank, H.R. et al. (2019) *Principles of Microeconomics*, 7th edn., McGraw-Hill.
- Slowman, J. et al. (2018) *Economics*, 10th edn., Pearson.

Supplementary study aid at an introductory level:

- Olney, M.L. (2009) *Microeconomics as a Second Language*, Wiley.

Major textbooks written at an intermediate level:

- Frank, R.H. (2017) *Microeconomics and Behavior*, 10th edn., McGraw-Hill.
- Nechyba, T.J. (2016) *Microeconomics: An Intuitive Approach with Calculus*, 2th edn., South-Western Cengage Learning.
- Pindyck, R.S. & Rubinfeld, D.L. (2017), *Microeconomics*, 9th edn., Pearson.
- Varian, H.R. (2014), *Intermediate Microeconomics*, 9th edn., Norton.
- Varian, H.R. (2014), *Intermediate Microeconomics with Calculus*, Norton.

Other textbooks written at an intermediate level:

- Komlos, J. (2014) *What Every Economics Student Needs to Know and Doesn't Get in the Usual Principles Text*, Routledge.
- The Core Team (2017) *The Economy: Economics for a Changing World*, Oxford University Press.

Lecture Notes written at an advanced level:

- Rubinstein, A. (2012) *Lecture Notes in Microeconomic Theory: The Economic Agent*, 2nd edn., Princeton University Press.

8.3 Optional Reading

Moreover, participants might find it enlightening to read the following prior to the course in order to make themselves familiar with some core economic concepts

- Smith, D. (2008), *Free Lunch: Easily Digestible Economics*, Profile Books.

Note: The core reading will be made available on the e-learning server. Moreover, further material may be uploaded during the course.

9. Accreditation

- History & Economics (MA):
Module Area (2): Skill Convergence

10. Responsible Student Assistant for the Course

All requests regarding the course should, in the first instance, be addressed to:

- Clara Immler:
E-mail: clara.immler@uni-bayreuth.de

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