



# **ECON 202 Principles of Microeconomics**

## **Sant'Anna Institute**

### **Spring 2024**

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### **Course Description**

Principles of Microeconomics is an introductory course designed to provide students with a solid foundation in the fundamental concepts and principles of microeconomic theory. This course explores the behavior of individual economic agents, such as consumers and firms, and their interactions within various market structures. Through a combination of theoretical analysis and real-world examples, students will develop a deep understanding of how individuals and businesses make economic decisions and how these decisions affect the allocation of resources.

The course begins by introducing students to the basic principles of microeconomics, including the concepts of scarcity, opportunity cost, and supply and demand. Students will learn how to analyze the determinants of supply and demand and how changes in these factors impact market equilibrium. The course will also cover elasticity, price controls, and the effects of government intervention in markets. Building upon this foundation, the course delves into consumer behavior and decision-making. Students will examine theories of utility and rational choice and learn how individuals allocate their income among different goods and services. The concept of elasticity of demand will be explored in depth, along with factors influencing consumer preferences.

The course further explores the behavior of firms and their production decisions. Students will learn about the cost structures faced by businesses, including fixed costs, variable costs, and marginal costs. They will also study different market structures, such as perfect competition, monopoly, monopolistic competition, and oligopoly. The implications of these market structures on pricing, output, and profitability will be examined. Additionally, the course will provide an introduction to market failures and the role of government in addressing these failures. Students will learn about externalities, public goods, and the tragedy of the commons. They will explore various policy tools, such as taxes, subsidies, and regulations, and their effects on market outcomes.

### **Course Objectives / Learning Outcomes**

Throughout the course, students will develop analytical and critical-thinking skills by applying economic models and concepts to real-world scenarios. They will also engage in quantitative analysis through graphical representations and basic mathematical models.

By the end of the course, students will have gained a comprehensive understanding of microeconomic theory and its applications. They will be equipped with the tools necessary to analyze economic behavior at the individual and firm level, evaluate market outcomes, and understand the role of government in shaping economic outcomes. This course serves as a solid foundation for further studies in economics and related fields.

Upon successful completion of this course, students will be able to:

1. Explain the fundamental principles and concepts of microeconomics.
2. Analyze the determinants of supply and demand and their impact on market equilibrium.
3. Evaluate the behavior of consumers and firms in different market structures.
4. Apply economic models to analyze consumer decision-making and firm production decisions.
5. Understand the effects of government intervention and market failures.
6. Apply quantitative analysis to economic problems using graphical and mathematical tools.
7. Critically evaluate real-world economic issues from a microeconomic perspective.

### Required Texts

- Kolmar, M. (2017). *Principles of microeconomics*. Springer.
- Nicholson, W., & Snyder, C. M. (2021). *Intermediate microeconomics and its application*. Cengage Learning.
- Tucker, I. B. (2022). *Microeconomics for today*. Cengage Learning.

### Exam and Grading

The mode of examination and assessment of learning is based on a combination of several elements, including:

- **Mid-term and final written exams (25% and 30%)**: they include multiple-choice, short-answer or developmental questions designed to test understanding of microeconomic concepts and the ability to apply them in specific situations;
- **Assignments and/or problem sets (25%)**: during the course, assignments or problem sets may be given that may include analyzing case studies, solving mathematical problems or writing short essays on specific topics. They are used to assess students' ability to apply microeconomic theory in practical contexts;
- **Class participation and discussion (20%)**: in some cases, active participation in class and participation in discussions can contribute to the overall assessment of the course. This encourages students to be involved in the learning process, to ask questions and express their opinions on the topics covered in class.

These examination modes generate a score that is expressed in percentage values and with which a grade is associated as a letter grade. Specifically students who earn a final score of:

- 95 to 100% will be eligible for grade A;
- 90 to 94% will be eligible for grade A-;
- 87 to 89% will be eligible for grade B+;
- 83 to 86% will be eligible for grade B;
- 80 to 82% will be eligible for grade B-;
- 77 to 79% will be eligible for grade C+;
- 73 to 76% will be eligible for grade C;
- 70 to 72% will be eligible for grade C-;
- 67 to 69% will be eligible for grade D+;
- 63 to 66% will be eligible for grade D;
- 60 to 62% will be eligible for grade D-;

- 60% will be eligible for grade F.

## Policies

- **Attendance:** Students are asked to sign an attendance sheet at the beginning of each class, although no formal penalty will be assessed for poor attendance.
- **Make-Up Exams:** Students who miss an assignment or exam for a valid reason must present documentation (from a medical doctor, a coach, a representative from student life, or other university official) to make it up.
- **Using Electronic Devices:** The use of laptop computers, tablets, cell phones, or any other electronic devices during class is prohibited unless explicitly authorized by the instructor. Students caught using such devices in class will be **penalized 5 points for each offense**.
- **Extra Credit:** In addition to the extra credit opportunities listed below on the schedule, the instructor may offer other extra credit opportunities, but students may earn no more than 15 extra credit points.
- **Academic Honesty:** Any act of academic misconduct in this course will result in an F for the assignment involved.

## Schedule of Readings & Assignments

### **Module 1: Introduction to Microeconomics**

- ✓ Scarcity, choice, and opportunity cost Supply and demand analysis
- ✓ Market equilibrium and shifts in supply and demand curves

### **Module 2: Consumer Behavior and Utility Analysis**

- ✓ Theory of consumer choice and utility maximization
- ✓ Elasticity of demand and its determinants
- ✓ Factors influencing consumer preferences

### **Module 3: Production and Costs**

- ✓ The production function and factors of production
- ✓ Cost analysis: fixed costs, variable costs, and marginal costs
- ✓ Short-run and long-run production decisions

### **Module 4: Market Structures**

- ✓ Perfect competition: characteristics and implications
- ✓ Monopoly: pricing and output decisions
- ✓ Monopolistic competition: product differentiation and market power
- ✓ Oligopoly: strategic behavior and interdependence

### **Module 5: Government Intervention and Market Failures**

- ✓ Externalities and public goods The tragedy of the commons
- ✓ Policy tools: taxes, subsidies, and regulations

## **Module 6: Applications and Case Studies**

- ✓ Applying microeconomic concepts to real-world scenarios
- ✓ Case studies exploring market behavior and outcomes



