

Course
Introductory Microeconomics
Summer 2017

Virtue Praise International Education Institute Summer Program

Course information

Meeting time & place: Monday through Friday at time and location TBA
Course website(s): Optional: you can follow me on Twitter [@Econ2Penn](#) if you would like.

Instructor information

Professor: Luca Bossi, Ph.D.
Office location: TBA
E-mail: boluca@upenn.edu (best way to contact)
Office hours: TBA

Course overview and objectives

This course provides a thorough introduction to microeconomic theory. Microeconomics is the study of the foundations of the economy. It looks at how consumers, firms and the government interact. Starting from the basic ideas of tradeoffs, opportunity cost, and the benefits of trade, we will study how the market forces of supply and demand cause prices to be what they are in the market. We will see the sense in which market economies are efficient, and the way governments can make our economy less or more efficient. We will delve behind the supply curve to see how firms choose their production levels to maximize profits, culminating in the model of perfect competition. We will look at market failures such as imperfect competition (monopoly, oligopoly), externalities and asymmetric information.

Textbook

Parking, *Microeconomics*, Pearson, 12th edition. The 11th edition is fine too, if it is probably cheaper for you to buy.

Course Structure

We will have lectures at the time/location indicated above.
I will let you know the office hours and office locations of the TA within two or three days of beginning of classes.

Honor Code and Academic Integrity

Students are expected and required to:

1. Maintain a professional, respectful, and pleasant environment that facilitates learning.
2. Be courteous to myself, the TAs, and to their fellow students.
3. Not act in a way that disrupts the class, this means (among many other things): please be quiet if entering the class late, turn off electronic devices before entering the class and especially during exams (no cellular phones, music players, any device running apps and PDAs, please) and do not sleep or chat in class. You can keep your laptop or tablet computer on during lecture times (but not during exams) if you plan to follow the PPT lecture notes on those devices during class.
4. Do not misrepresent work that you did not complete as your own.
5. Do not cheat in examinations as doing so will result in sanctions.
6. No graphing calculators are allowed during exams. Scientific calculators only.

Requirements and grading criteria

Your grade in this course is based on attainment, not on a curve. Let me repeat that, this course does not have a curve. Your raw scores correspond to the following letter grades.

90s => A range (A-, A, A+)

80s => B range (B-, B, B+)

70s => C range (C-, C, C+)

60s and below => D and F

Your grade will be based on two midterm exams, and the final exam. The general breakdown will be 40% for the final exam, and 27% or 33% for your midterm exams. Your worse midterm exam score will count for 27% of your letter grade. Your best midterm score will count for 33% of your letter grade. This scheme favors the students and it will help mitigate the effects of a one-time poor performance.

Exams

There will be two midterms (locations and dates TBA) administered during the course on dates and locations specified at the beginning of the course. **No books, or notes, or graphing calculators are permitted during the midterms, or the final exam**

The final is cumulative. It will take place sometime during the last 2 days of class.

Keeping up-to-date with the class material

You are required to come to class and check for announcements regularly. All the class material including lecture notes, problem sets, exercises, readings, etc. will be made available to you.

Comments and suggestions

If you have any comments or suggestions for me, please do not hesitate to stop by during my office hours or to drop me an email.

Tentative Course outline and readings (subject to changes)

I) Introduction

Introduction and Opportunity Cost (chapter 1)

Scarcity and Choice (chapter 2)

Gains from Trade (chapter 2)

II) Supply and Demand

Supply & Demand (chapter 3)

Elasticity (chapter 4)

Efficiency and Equity (chapter 5)

Applications of Supply & Demand: price controls, taxes, subsidies (chapter 6)

III) Firms and market structure

Firm and Costs of Production (chapter 10 and 11)

Perfect competition (chapter 12)

Monopoly (chapter 13)

Monopolistic competition (chapter 14)

Oligopoly (chapter 15)

IV) How do consumers make their decisions?

Consumer Theory (chapter 8 and 9)

V) Market Failures

Public Goods (chapter 16)

Externalities (chapter 17)

VI) Miscellaneous Topics (time permitting)

Market for factors of production (chapter 18)

Inequality (chapter 19)

Uncertainty and information (chapter 20)