



B.E. International Program

Faculty of Economics, Thammasat University



1. Course ID	EE211
2. Number of Credits	3 credits
3. Course Title	EE211 Principles of Microeconomics ศ.211 หลักเศรษฐศาสตร์จุลภาค
4. Faculty	Faculty of Economics
5. Semester	1
6. Academic Year	2015
7. Instructor's Name	Asst. Prof. Dr. Kaewkwan Tangtipongkul and Dr. Thanet Mekjamroen
Section/Group	046402 ; 046401
Office	Dr. Kaewkwan Tangtipongkul (Room 458, 4th Floor) ; Dr. Thanet Mekjamroen (Room 521, 5th Floor)
Office Hours	By Appointment
Contact Information	kaewkwan@econ.tu.ac.th ; thanet@econ.tu.ac.th
Course Co-Ordinator (for the course with more than one section)	โปรดระบุ
8. Course Conditions	
8.1. Prerequisite	[Curriculum 2552] (only for economics student or the student desiring to transfer to Faculty of Economics) [Curriculum 2556]
8.2. Co-Requisite Course	----None----
9. Course Status	Compulsory Courses in Economics
10. Curriculum Name	Bachelor of Economics (International Program)
11. Degree	Undergraduate
12. Number of Teaching Hours per Week	3
13. Intended Learning Outcomes	
<input checked="" type="checkbox"/> 1. Morals and Ethics	<input checked="" type="checkbox"/> 2. Knowledge
<input checked="" type="checkbox"/> 3. Cognitive Skills	<input checked="" type="checkbox"/> 4. Interpersonal Skills and Responsibility
<input checked="" type="checkbox"/> 5. Numerical Skills, Communication and IT	<input type="checkbox"/> 6. Workshopping Skill
14. Course Description	
Principles of microeconomics such as value, price, resource allocation, introduction to theories of consumption and production with an emphasis on factors determining supply and demand of goods and services, determination of price and efficiency of resource allocation in perfect and imperfect competitive markets; basic theories regarding factor market and introductory concepts of market failures.	
15. Summary of Teaching-and-Learning Arrangement	
15.1. Course Objectives	
To provide a thorough principles of microeconomics. Starting from the basic ideas of opportunity cost, benefit of trade, and resource allocation, we will study how the market forces of supply and demand cause prices to be what they are. We will learn theories of consumption and production with an emphasis on factors determining supply and demand of goods and services, determination of price and efficiency of resource allocation in perfect and monopoly markets.	

15.2. Weekly Teaching Plan

Week	Course Content	Reading References
1	What is Economics All About? 1.1) What is Economics? 1.2) The Basic Economic Problems 1.3) Production Possibility Curve (PPC) 1.3.1) Assumptions 1.3.2) An Illustration of Scarcity, Choice and Opportunity Costs Using the PPC 1.3.3) Economic Growth and Changes in the PPC 1.4) Tools used in Microeconomics 1.4.1) Equilibrium Analysis 1.4.2) Comparative Static Analysis 1.4.3) Constrained Optimization 1.5) Methodology of Studying Economics 1.5.1) Economics as a Science 1.5.2) How Theories are Developed 1.5.3) Positive Vs. Normative Statements	Frank, ch. 1; KW, chs. 1-2; Lipsey, chs. 1-2; Mankiw, chs. 1-2
2	Demand, Supply, and Equilibrium 2.1) Market: Meaning and Components 2.2) Demand: Buyers' Behavior 2.2.1) Meaning of Demand 2.2.2) Law of Demand 2.2.3) Individual and Market Demands 2.2.4) The Distinction of "Change in Quantity Demanded" and "Change in Demand" 2.2.5) The Determinants of Demand 2.3) Supply: Sellers' Behavior 2.3.1) Meaning of Supply 2.3.2) Law of Supply 2.3.3) Firm and Market Supplies 2.3.4) The Distinction of "Change in Quantity Supplied" and "Change in Supply" 2.3.5) The Determinants of Supply	Mankiw, ch. 4; Lipsey, ch. 3; KW, ch. 3; Frank, chs. 2 and 4
3	Demand, Supply, and Equilibrium 2.4) Market Equilibrium: When Demand and Supply Meet 2.4.1) Meaning and How to Determine the Equilibrium 2.4.2) Shocking the Equilibrium and Adjustments a) When demand curve shifts b) When supply curve shifts c) When both demand and supply curve simultaneously shift	Mankiw, ch. 4; Lipsey, ch. 3; KW, ch. 3; Frank, chs. 2 and 4

4	<p>Elasticity and Its Applications</p> <p>3.1) Elasticity of Demand: Meaning, Measurement and Determinants</p> <p>3.1.1) Price Elasticity of Demand</p> <p>3.1.2) Income Elasticity of Demand</p> <p>3.1.3) Cross Price Elasticity of Demand</p> <p>3.2) Elasticity of Supply: Meaning, Measurement and Determinants</p>	Mankiw, ch. 5; Lipsey, ch. 4; KW, ch. 6; Frank, chs. 2 and 4
5	<p>Consumers, Producers, and the Efficiency of Markets</p> <p>4.1) Consumer Surplus</p> <p>4.1.1) Willingness to Pay (WTP)</p> <p>4.1.2) Using the Demand Curve to Measure Consumer Surplus</p> <p>4.1.3) How a Lower Price Raises Consumer Surplus</p> <p>4.1.4) What Does Consumer Surplus Measure?</p> <p>4.2) Producer Surplus</p> <p>4.2.1) Cost and the Willingness to Sell</p> <p>4.2.2) Using the Supply Curve to Measure Producer Surplus</p> <p>4.2.3) How a Higher Price Raises Producer Surplus</p> <p>4.2.4) What Does Producer Surplus Measure</p> <p>4.3) Market Efficiency</p>	Mankiw, ch. 7; Lipsey, chs. 6 and 12; KW, ch. 4; Frank, chs. 2 and 4
6	<p>Applications on Demand, Supply, and Government Policies</p> <p>5.1) Price Controls</p> <p>5.1.1) Ceiling Price</p> <p>5.1.2) Floor Price</p> <p>5.2) Effects of Taxation</p> <p>5.2.1) A Unit Tax on Producers</p> <p>5.2.2) A Unit Tax on Consumers</p> <p>5.3) Effects of Subsidy Given to Producers</p> <p>5.4) Quotas</p> <p>5.5) Subsidies</p>	Mankiw, ch. 6; Frank, chs. 2 and 4; KW, chs. 5 and 7; Lipsey, ch. 5
7	<p>The Theory of Consumer Choice</p> <p>6.1) Utility Theory (or Cardinal Approach)</p> <p>6.1.1) The Meaning of Utility</p> <p>6.1.2) Law of Diminishing Marginal Utility</p> <p>6.1.3) Relationship between Total Utility and Marginal Utility</p> <p>6.1.4) Consumers' Equilibrium (or Rational Spending Rule) and Change in Equilibrium</p> <p>6.2) Indifference Curves Theory (or Ordinal Approach)</p> <p>6.2.1) What a Consumer Wants</p> <p>a) The Meaning of Indifference Curve</p> <p>b) Properties of Indifference Curve</p> <p>c) Slope of Indifference Curve and Marginal Rate of Substitution (MRS)</p>	Frank, chs. 3-4; KW, chs. 10-11; Lipsey, ch. 6 (& appendix); Mankiw, ch. 21

8	Midterm Exam Date: October 8, 2014	Time: 9:30-11:00	Venue: Faculty of Economics, Thammasat University, Prachan Campus
9	6.2.2) What the Consumer Can Afford a) Budget Line: Meaning, Slope, and Change in Budget Line 6.2.3) How the Consumer Optimally Chooses a) Consumer Equilibrium and Change in Equilibrium 6.3) Derivation of an Individual Demand Curve Using Indifference Curves and Budget Lines 6.4) How a Consumer Responds to Change in Price: Substitution and Income Effects (Hicksian Approach)	Frank, chs. 3-4; KW, chs. 10-11; Lipsey, ch. 6 (& appendix); Mankiw, ch. 21	
10	6.5) Applications 6.5.1) In Cash Vs. In Kind 6.5.2) Vouchers Vs. Subsidy 6.5.3) Work Vs. Leisure 6.5.4) Consume Today Vs. Consume Tomorrow 6.5.5) Intertemporal consumption	Frank, chs. 3-4; KW, chs. 10-11; Lipsey, ch. 6 (& appendix); Mankiw, ch. 21	
11	Production and Cost in the Short-Run 7.1) Firm and the Objectives of Production 7.2) Production Functions 7.3) Distinction between Short-run and Long-run 7.4) Production Function in the Short-run 7.4.1) Total Product (TP), Average Product (AP), Marginal Product (MP) 7.4.2) Relationship of TP, AP, and MP 7.4.3) Law of Diminishing Returns 7.4.4) Stages of Production 7.5) The Meaning of Costs 7.5.1) Economic and Accounting Costs 7.5.2) Sunk Costs 7.5.3) Private and Social Costs 7.6) Relationship between Costs and Production 7.7) Short-run Costs of Production: TFC, TVC, TC, AFC, AVC, ATC, MC, and their relationship	Frank, chs. 9-10; KW, ch. 12; Lipsey, ch. 7; Mankiw, ch. 13	

12	8. Production in the Long-Run 8.1) Isoquant 8.2) Isocost 8.3) Least Cost Combination 8.4) Expansion Path 8.5) The Meaning of Returns to Scale 8.6) Long-run Costs of Production: LTC, LAC, LMC 8.7) Relationship between Expansion Path and LTC 8.8) Relationship between Long-run and Short-run Costs 8.9) Economies and Diseconomies of Scale 8.10) Economies of Scope	Frank, chs. 9-10; KW, ch. 12; Lipsey, ch. 8	
13	9. Market Structure 9.1) Meaning 9.2) Structure of Perfect and Imperfect Markets 9.3) Producer's Objectives 9.4) The Meanings of Profits and Loss 9.5) Profit Maximization 9.5.1) TR-TC Approach 9.5.2) MR-MC Approach 9.6) Perfectly Competitive Market 9.6.1) The Nature of Demand, TR, MR, AR and Their Relationships 9.6.2) Short-run Equilibrium 9.6.3) Derivation of Firm's and Market's Short-run Supply Curves 9.6.4) Long-run Equilibrium	Frank, chs. 11-12; KW, chs. 13-14; Lipsey, chs. 9-10, 13; Mankiw, chs. 14-15	
14	9.7) Monopoly 9.7.1) Causes of Monopoly 9.7.2) The Nature of Demand, TR, MR, AR and Their Relationships 9.7.3) Short-run Equilibrium Vs. Long-run Equilibrium 9.7.4) Economic Effects of Monopoly 9.7.5) Regulated Monopoly a) Fair-return Price b) Ideal Price	Frank, chs. 11-12; KW, chs. 13-14; Lipsey, chs. 9-10, 13; Mankiw, chs. 14-15	
15	9.8) Comparison between Perfect Competition and Monopoly	Frank, chs. 11-12; KW, chs. 13-14; Lipsey, chs. 9-10, 13; Mankiw, chs. 14-15	
16	10. Factor Markets: a Brief Introduction 10.1) Demand for factor as a derived demand 10.2) The firm's demand for a factor 10.3) The supply of a factor 10.4) Determination of factor prices	Browning, ch. 16; KW, ch. 20; Lipsey, ch. 13; Perloff, ch. 15.1-15.3 Frank, chs. 16-17; KW, chs. 17-18, Lipsey, Ch. 16; Mankiw, chs. 10-11, and 22	
17	Final Exam Date: December 8,2015	Time: 9:00-12:00	Venue: Faculty of Economics, Thammasat University, Prachan Campus

15.3. Teaching Methods

<input checked="" type="checkbox"/>	Lecture	Percent	100.0
<input type="checkbox"/>	Lecture and Discussion	Percent	0.0
<input type="checkbox"/>	Discussion of Case study	Percent	0.0
<input type="checkbox"/>		Percent	0.0
<input type="checkbox"/>	Laboratory	Percent	0.0
<input type="checkbox"/>	Others, please specify1	Percent	0.0
<input type="checkbox"/>	Others, please specify2	Percent	0.0

15.4. Teaching Media

- Power Point
- Work sheet
- Handout
- Others, please specify1
- Others, please specify2
- Others, please specify3

15.5. Assignments Given via Network System

15.5.1 Regulations for Giving and Submitting

15.5.2. Learning Management System Used (LMS)

15.6. Learning Evaluation

15.6.1. Midterm Exam	Percent	30	Date: October 8, 2014 Time: 9:30-11:00
15.6.2. Final Exam	Percent	60	Date: December 8, 2015 Time: 9:00-12:00
15.6.3. Homework	Percent	10	
15.6.4.	Percent	-	
15.6.5.	Percent	-	
15.6.6.	Percent	-	

16. Reading List and References

16.1. Main Documents and Text Books

Krugman, P. and Robin Wells, Microeconomics. 2nd ed. Worth Publishers, 2008. (Hereafter, KW)

Frank, R.H. Microeconomics and Behavior. 8th ed. McGraw-Hill, 2010.

Lipsey, R.G., C.T.S. Ragan, and P.A. Storer. Economics, 13th ed. Pearson Addison Wesley, 2008.

Mankiw, N.G. Principle of Microeconomics, 5th ed. Thompson South-Western, 2009.

Note: The list is provided in alphabetical order; it does not indicate which one is preferred.

16.2. Key Documents and Information

None

16.3. Recommended Documents and Informations

17. Teaching Evaluation (please specify the required procedure as follows)

17.1. Teaching Evaluation Form 0

17.2. Revision According to Previous Teaching Evaluation

- Revision according to observations and comments from students in lecturing hours during the semester
- Revision according to evaluation results during and after the semester
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