



B.E. International Program

Faculty of Economics, Thammasat University



1. Course ID	EE211
2. Number of Credits	3 credit
3. Course Title	EE211 Principles of Microeconomics
4. Faculty	Economics
5. Semester	1
6. Academic Year	2014
7. Instructor's Name	Dr. Phongthorn Wrasai and Dr. Thanet Mekjamroen
Section/Group	046402 ; 046401
Office	Room 471, 4th Floor ; Room 521, 5th Floor
Office Hours	By Appointment
Contact Information	pwrasai@gmail.com ; thanet@econ.tu.ac.th
Course Co-Ordinator	Phongthorn Wrasai
8. Course Conditions	
8.1 Prerequisite	None
8.2 Co-Requisite Course	----None----
9. Course Status	Compulsory Courses in Economics
10. Curriculum Name	Bachelor of Economics Program (International Program)
11. Degree	Bachelor of Economics (International Program)
12. Number of teaching hours per week	3

Lecture Time: Section 046401: Tuesday and Thursday, 11.00-12.30

Section 046401: Tuesday and Thursday, 09.30-11.00

Lecture Venue: Section 046401: Room 303, Faculty of Economics (Thaprachan Campus)

Section 046402: Room 303, Faculty of Economics (Thaprachan Campus)

13. Responsibility for students' learning outcomes

- | | |
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| <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 Analytical Skills,
Communication and Information
Technology | <input checked="" type="checkbox"/> 6. Operation Skills |

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. A Summary of Teaching-and-Learning Arrangment

15.1 Course Objectives

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 1.3.4) Exchange and Gains from Trade, Explained by 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 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 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	Elasticity and Its Applications 3.1) Elasticity of Demand: Meaning, Measurement and Determinants 3.1.1) Price Elasticity of Demand 3.1.2) Income Elasticity of Demand 3.1.3) Cross Price Elasticity of Demand 3.2) Elasticity of Supply: Meaning, Measurement and Determinants	Mankiw, ch. 5; Lipsey, ch. 4; KW, ch. 6; Frank, chs. 2 and 4

5	<p>Consumers, Producers, and the Efficiency of Markets 4.1)</p> <p>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 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) Applications on International Trade</p> <p>5.4.1) Import Tariffs</p> <p>5.4.2) Quotas</p> <p>5.4.3) 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 6.1)</p> <p>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 Tuesday 7 October 2014	Time 08.00-09.30	Venue Faculty of Economics, Thammasat University, Prachan Campus
9	<p>6.2.2) What the Consumer Can Afford</p> <p>a) Budget Line: Meaning, Slope, and Change in Budget Line</p> <p>6.2.3) How the Consumer Optimally Chooses</p> <p>a) Consumer Equilibrium and Change in Equilibrium</p> <p>6.3) Derivation of an Individual Demand Curve Using Indifference Curves and Budget Lines</p> <p>6.4) How a Consumer Responds to Change in Price: Substitution and Income Effects (Hicksian Approach)</p>	Frank, chs. 3-4; KW, chs. 10-11; Lipsey, ch. 6 (& appendix); Mankiw, ch. 21	
10	<p>6.5) Applications</p> <p>6.5.1) In Cash Vs. In Kind</p> <p>6.5.2) Vouchers Vs. Subsidy</p> <p>6.5.3) Work Vs. Leisure</p> <p>6.5.4) Consume Today Vs. Consume Tomorrow</p>	Frank, chs. 3-4; KW, chs. 10-11; Lipsey, ch. 6 (& appendix); Mankiw, ch. 21	

11	<p>Production and Cost in the Short-Run 7.1) Firm and the Objectives of Production</p> <p>7.2) Production Functions</p> <p>7.3) Distinction between Short-run and Long-run</p> <p>7.4) Production Function in the Short-run</p> <p>7.4.1) Total Product (TP), Average Product (AP), Marginal Product (MP)</p> <p>7.4.2) Relationship of TP, AP, and MP</p> <p>7.4.3) Law of Diminishing Returns</p> <p>7.4.4) Stage of Production</p> <p>7.5) The Meaning of Costs</p> <p>7.5.1) Economic and Accounting Costs</p> <p>7.5.2) Sunk Costs</p> <p>7.5.3) Private and Social Costs</p> <p>7.6) Relationship between Costs and Production</p> <p>7.7) Short-run Costs of Production: TFC, TVC, TC, AFC, AVC, ATC, MC, and their relationship</p>	Frank, chs. 9-10; KW, ch. 12; Lipsey, ch. 7; Mankiw, ch. 13
12	<p>8. Production in the Long-Run 8.1) Isoquant</p> <p>8.2) Isocost</p> <p>8.3) Least Cost Combination</p> <p>8.4) Expansion Path</p> <p>8.5) The Meaning of Returns to Scale</p> <p>8.6) Long-run Costs of Production: LTC, LAC, LMC</p> <p>8.7) Relationship between Expansion Path and LTC</p> <p>8.8) Relationship between Long-run and Short-run Costs</p> <p>8.9) Economies and Diseconomies of Scale</p> <p>8.10) Economies of Scope</p> <p>8.11) Learning by Doing</p>	Frank, chs. 9-10; KW, ch. 12; Lipsey, ch. 8
13	<p>9. Market Structure 9.1) Meaning</p> <p>9.2) Structure of Perfect and Imperfect Markets</p> <p>9.3) Producer's Objectives</p> <p>9.4) The Meanings of Profits and Loss</p> <p>9.5) Profit Maximization</p> <p>9.5.1) TR-TC Approach</p> <p>9.5.2) MR-MC Approach 9.6) Perfectly Competitive Market</p> <p>9.6.1) The Nature of Demand, TR, MR, AR and Their Relationships</p> <p>9.6.2) Short-run Equilibrium</p> <p>9.6.3) Derivation of Firm's and Market's Short-run Supply Curves</p> <p>9.6.4) Long-run Equilibrium</p>	Frank, chs. 11-12; KW, chs. 13-14; Lipsey, chs. 9-10, 13; Mankiw, chs. 14-15
14	<p>9.7) Monopoly</p> <p>9.7.1) Causes of Monopoly</p> <p>9.7.2) The Nature of Demand, TR, MR, AR and Their Relationships</p> <p>9.7.3) Short-run Equilibrium Vs. Long-run Equilibrium</p> <p>9.7.4) Economic Effects of Monopoly</p> <p>9.7.5) Regulated Monopoly</p> <p>a) Fair-return Price</p> <p>b) Ideal Price</p>	Frank, chs. 11-12; KW, chs. 13-14; Lipsey, chs. 9-10, 13; Mankiw, chs. 14-15
15	<p>9.7.6) Price Discrimination</p> <p>a) First-degree Price Discrimination</p> <p>b) Second-degree Price Discrimination</p> <p>c) Third-degree Price Discrimination</p> <p>9.8) Comparison between Perfect Competition and Monopoly</p>	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 11. Market Failure 1.1) Meaning and Characteristics 1.2) Origins of Market Failure 1.2.1) Monopoly Power 1.2.2) Public Goods 1.2.3) Externalities 1.2.4) Asymmetric Information 1.3) Consequences of Market Failure 1.4) Correction of Failure and Imperfections: Government or Private sector	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 Monday 8 December 2014	Time 09.00-12.00	Venue Faculty of Economics, Thammasat

15.3 Teaching Methods

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

15.4 Teaching Materials

- Power Point
- Work sheet
- Handout

15.5 Assignments given via the network

15.5.1 Requirements for giving and turning in assignments

15.5.2 A learning management system used (LMS)

15.6 Learning Measurement

15.6.1	Midterm Exam	Percentag	30	Date Tuesday 7 October 2014 Time 08.00-09.30
15.6.2	Final Exam	Percentag	60	Date Monday 8 December 2014 Time 09.00-12.00
15.6.3	Homework	Percentag	-	
15.6.4	Quiz	Percentag	10	
15.6.5	Midterm Exam	Percentag	-	
15.6.6	Final Exam	Percentag	-	

16. Reading List and References

16.1 Papers and Main Textbooks

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

16.2 Papers and Key Information

None

16.3 Papers and Suggestive Information

17. As to teaching evaluation, the following actions must be taken.

17.1 Use the teaching evaluation form 0

17.2 Take into consideration the previous teaching evaluation results

- Make an improvement based on students' comments and suggestions during a lecture hour.
- Make an improvement based on teaching evaluation results during the semester and by the end thereof.
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