



Course Outline

EE211 Principles of Microeconomics (Section 046402)

Semester 2/2024 (January 20 – May 14, 2025)

Lecture Time: Section 046402: Thursday, 09:00 – 12.00 hours

Lecture Venue: Section 046402: Room 303, Faculty of Economics

Teaching Materials Platform: Google classroom – Class code: mhrplgn

Instructor: Associate Professor Dr. Phatta Kirdruang
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Office Hours: By appointment

Number of Credit: 3 Credits (3-0-6)

Prerequisite: -

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 monopoly markets; competitive factor market and introductory concepts of market failures.

Course Objectives:

After completing this course, students should have developed a range of skills enabling them to understand economic concepts and use those concepts to analyze specific questions.

By the end of this course, students should be able to:

- Understand the concept of opportunity cost
- Understand market forces of supply and demand
- Understand the concept of elasticities
- Understand the concept of consumer and producer surpluses
- Understand consumer behavior.
- Understand firm behavior in perfectly competitive and in monopoly structure.
- Analyze different types of market structures (a competitive market Vs. Monopoly).
- Understand how to apply economic principles to a range of policy questions.

Students should also have the skills needed to:

- Use supply and demand diagrams to analyze the impact of overall changes in supply and demand on price and quantity.
- Calculate producer and consumer surplus.
- Solve a consumer's utility maximization problem mathematically and graphically; analyze the impact of changes in price and income on a consumer's decision via shifting income and substitution effects.
- Solve a firm's cost minimization problem mathematically and graphically.
- Analyze the behavior of firms in a perfectly competitive market in the short-run and the long-run.
- Analyze the behavior of firm in a monopoly and calculate the resulting changes in producer or consumer surplus.
- Use economic tools to analyze economic policies.

Expected Learning Outcomes:

1. Morality and Ethics EE211

Applicability	Expected Learning Outcomes	Evaluation Method
●	1. Students demonstrate integrity.	Class attendance and class discussion
○	2. Students prioritize social and public benefits over personal ones.	Class discussion
●	3. Students are punctual and comply with the code of conduct of the institution and society at large.	Class attendance and class discussion
○	4. Students are responsible and accountable to society, the nation, and the subject of economics.	Class attendance and class discussion
○	5. Students realize the cultural and environmental value of the sustainable society.	Class attendance and class discussion

2. Knowledge

Applicability	Expected Learning Outcomes	Evaluation Method
●	1. Students know and understand modern economics principles and theories, and are up to date with new developments.	Homework and reading assignments Class discussion
●	2. Students know and understand Thai and global economic structure, and the importance of major international economic events.	Homework and reading assignments Class discussion
●	3. Students know and understand instruments of economic analysis.	Homework and reading assignments Class discussion
●	4. Students know and understand applied fields in economics, including monetary, public, international, business, natural resource and environmental, industrial, agricultural, cooperative, political, developmental, and entrepreneurial economics as well as agribusiness.	Homework and reading assignments Class discussion
○	5. Students are informed about related fields including sociology, business administration, education, law policy, and science.	

3. Intellectual Development

Applicability	Expected Learning Outcomes	Evaluation Method
●	1. Students have developed individual critical thinking.	Quizzes activities, Homework assignments, and Case studies
●	2. Students are sufficiently trained in research skills.	Quizzes activities, Homework assignments, and Case studies
●	3. Students demonstrate an ability to analyze and synthesize data, as well as appropriately integrate economics concepts to understand causes of current economic problems in Thailand. Based on analysis and synthesis, students demonstrate an ability to propose policy guidelines to resolve problems.	Quizzes activities, Homework assignments, and Case studies

4. Interpersonal Skills and Responsibilities

Applicability	Expected Learning Outcomes	Evaluation Method
●	1. Students are responsible for assigned tasks and work in groups effectively.	Quizzes activities and Case studies
○	2. Students have problem-solving skills.	Quizzes activities and Case studies
○	3. Students show leadership skills and team spirit.	Case studies
●	4. Students are always improving themselves.	Quizzes activities, Homework assignments, and Case studies
○	5. Students have good interpersonal skills, adapting and working under different conditions.	

5. Quantitative Analysis, communication and information technology

Applicability	Expected Learning Outcomes	Evaluation Method
○	1. Students select and apply appropriate statistical and mathematical methods for data processing, interpretation, conclusions, and recommendations to resolve problems.	Homework assignments
○	2. Students communicate effectively and select appropriate presentation methods.	Case study
○	3. Students use information and communication technologies appropriately to gather data as well as process, interpret, and present results.	Case study

Remark: ● Primary expected outcome ○ Secondary expected outcome

Main Text:

Mankiw, N.G., (2023) **Principles of Microeconomics**, 10th ed., Cengage, (ISBN-13: 978-981-5119-30-5)

Recommended Texts & Materials

Krugman, P. and Robin Wells, (2018) **Microeconomics**. 3rd ed. Macmillan Education, (Hereafter, KW)—Earlier editions are applicable.

Pindyck, R. S., & Rubinfeld, D. L. (2018). **Microeconomics**. Upper Saddle River, N.J: Pearson/Prentice Hall.

Grading Criteria*:

Homework Assignments (5 HWs), Quizzes (10 Quizzes) and Class Attendances	20 points
Midterm Exam	35 points
Final Exam	45 points
Total	100 points

*Note: A = 4.0 (85-100); D - B+ = (40-84); F = 0 (0-39)

Remarks:

- **Mid-Term Examination: Tuesday, March 11, 2025 (11:00-14:00 hrs)**
- **Final Examination: Wednesday, May 21, 2025 (13:30-16:30 hrs)**

Tentative Class Schedule:

The class schedule shown below may be adjusted during the semester as needed.

Sessions	Lectures	Topics	Activities/Text & Materials/ Media
#1: Economics: The Study of Choice	1 lecture (23 Jan 2025)	<ul style="list-style-type: none"> ○ What is Economics all about? ○ The Basic Economic Problems ○ Circular Flow ○ Microeconomics Vs. Macroeconomics ○ Confronting Scarcity: Production Possibilities Curve (PPC) <ul style="list-style-type: none"> ▪ Assumptions ▪ An Illustration of Scarcity, Choice and Opportunity Costs Using the PPC ▪ Economic Growth and Changes in the PPC ○ Economists' Tool Kit <ul style="list-style-type: none"> ▪ Equilibrium Analysis ▪ Comparative Static Analysis ▪ Constrained Optimization 	Read: Mankiw, chs.1-3; KW, chs.1-2
#2-#3: Demand, Supply, and Equilibrium	2 lectures (30 Jan 2025) (6 Feb 2025)	<ul style="list-style-type: none"> ○ Market: Meaning and Components ○ Demand: Buyers' Behavior <ul style="list-style-type: none"> • Meaning • Law of Demand • Individual and Market Demands • The Determinants of Demand (or Demand Shifters) • The Distinction of "Change in Quantity Demanded" and "Change in Demand" ○ Supply: Sellers' Behavior <ul style="list-style-type: none"> • Meaning • Law of Supply • Firm and Market Supplies • The Determinants of Supply (or Supply Shifters) • The Distinction of "Change in Quantity Supplied" and "Change in Supply" 	Read: Mankiw, ch.4; KW, ch.3

Sessions	Lectures	Topics	Activities/Text & Materials/ Media
		<ul style="list-style-type: none"> ○ Market Equilibrium: When Demand and Supply Meet <ul style="list-style-type: none"> • Meaning and How to Determine the Equilibrium • What Will Happen if Market is Not Yet in an Equilibrium? (Adam Smith's Invisible Hand or Market Clearing Process) ○ Shocking an Equilibrium <ul style="list-style-type: none"> • When demand curve shifts • When supply curve shifts • When both demand and supply curve simultaneously shift 	
#4: Elasticity: A Measure of Response	1 lecture (13 Feb 2025)	<ul style="list-style-type: none"> ○ Elasticity <ul style="list-style-type: none"> ▪ Meaning ▪ Measurement ▪ Why Elasticity? : Absolute Change, Relative Change, and Percentage Change ○ Price Elasticity of Demand: Defined <ul style="list-style-type: none"> ▪ Computing Price Elasticity of Demand • Point-Price Elasticity of Demand • Arc-Price Elasticity of Demand • Determinants of Price Elasticity of Demand • Total Revenue and Price Elasticity of Demand ○ Other Demand Elasticities <ul style="list-style-type: none"> • Income Elasticity of Demand • Cross Price Elasticity of Demand ○ Elasticity of Supply: Meaning, Measurement and Determinants 	Read: Mankiw, ch.5; KW, ch.6
#5: Consumers, Producers, and the Efficiency of Markets	0.5 lecture (20 Feb 2025)	<ul style="list-style-type: none"> ○ Consumer Surplus <ul style="list-style-type: none"> ▪ Willingness to Pay (WTP) ▪ Using the Demand Curve to Measure Consumer Surplus ▪ Effect of a Price Change on Consumer Surplus 	Read: Mankiw, ch.7-8; KW, ch.4

Sessions	Lectures	Topics	Activities/Text & Materials/ Media
		<ul style="list-style-type: none"> ▪ What Does Consumer Surplus Measure? ○ Producer Surplus <ul style="list-style-type: none"> ▪ Cost and the Willingness to Sell ▪ Using the Supply Curve to Measure Producer Surplus ▪ Effect of a Price Change on Producer Surplus ▪ What Does Producer Surplus Measure? ○ Market Efficiency 	
<p>#6 Applications on Demand, Supply, and Government Policies</p>	<p>0.5 lecture (20 Feb 2025)</p>	<ul style="list-style-type: none"> ○ Government Intervention in Market Prices <ul style="list-style-type: none"> ▪ Price Ceilings <ul style="list-style-type: none"> ▪ Its effect on price and quantity ▪ Its inefficiency in resource allocation ▪ Welfare Analysis of Price Ceilings (Who gain and lose from the policy?) ▪ Price Floors <ul style="list-style-type: none"> ▪ Its effect on price and quantity (Case study: Agricultural commodities) ▪ Its inefficiency in resource allocation ▪ Welfare Analysis of Price Ceilings (Who gain and lose from the policy?) ▪ Effects of Taxes <ul style="list-style-type: none"> • A Unit Tax Vs. Ad Valorem Tax • Meaning and Effect of a Unit Tax on Supply and Demand Curves • A Unit Tax Imposed on Producers Vs. A Unit Tax Imposed on Consumers <ul style="list-style-type: none"> • Its effect on price consumers paid, price producers received, 	<p>Read: Mankiw, ch. 6-8; KW, chs.5 and 7</p>

Sessions	Lectures	Topics	Activities/Text & Materials/ Media
		<p>consumers' tax burden, producers' tax burden, government tax revenue, consumer and producer surplus, and total surplus</p> <ul style="list-style-type: none"> • Demand and Supply Elasticities: Implications on tax burdens incurred by consumers and producers • The differences between Unit Tax imposed on producers and on consumers <ul style="list-style-type: none"> ▪ Effects of Subsidy Given to Producers 	
#7-#9: The Theory of Consumer Choice	2 lectures (27 Feb 2025) (6 March 2025)	<ul style="list-style-type: none"> ○ Utility Theory (or Cardinal Approach) <ul style="list-style-type: none"> • The Meaning of Utility Relationship between Total Utility and Marginal Utility • Law of Diminishing Marginal Utility • Consumers' Equilibrium (or Rational Spending Rule) and Change in Equilibrium ○ Indifference Curves Theory (or Ordinal Approach) <ul style="list-style-type: none"> ○ What a Consumer Wants <ul style="list-style-type: none"> • The Meaning of Indifference Curve • Properties of Indifference Curve • Slope of Indifference Curve and Marginal Rate of Substitution (MRS) ○ What the Consumer Can Afford <ul style="list-style-type: none"> • Budget Line: Meaning, Slope, and Change in Budget Line 	Read: Mankiw, ch.22; KW, chs.10-11; Frank, chs.3-4;; Lipsey, ch. 6 (& appendix);

Sessions	Lectures	Topics	Activities/Text & Materials/ Media
		<ul style="list-style-type: none"> ○ How the Consumer Optimally Chooses ○ Consumer Equilibrium and Change in Equilibrium ○ Derivation of an Individual Demand Curve Using Indifference Curves and Budget Lines ○ How a Consumer Responds to Change in Price: Substitution and Income Effects (Hicksian Approach) 	
<p>#10-#12: Production and Cost in the Short-Run and in the Long-Run</p>	<p>3.5 lectures (20-27 March 2025) (3 April 2025) (10 April 2025)</p>	<ul style="list-style-type: none"> ○ Firm and the Objectives of Production ○ Production Functions ○ The Meaning of Cost <ul style="list-style-type: none"> ▪ Economic and accounting costs ▪ Sunk costs ▪ Private cost and social cost ○ Distinction between Short-run and Long-run ○ Production and Costs in the Short-run <ul style="list-style-type: none"> ▪ Total Product (TP), Average Product (AP), Marginal Product (MP) ▪ Relationship of TP, AP, and MP ▪ Law of Diminishing Returns ▪ Stage of Production ○ Relationship between Costs and Production ○ Short-run Costs of Production: TFC, TVC, TC, AFC, AVC, ATC, MC ○ Production and Costs in the Long-run Isoquant <ul style="list-style-type: none"> ○ Isocost ○ Least Cost Combination ○ Expansion Path ○ The Meaning of Returns to Scale ○ Long-run Costs of Production: LTC, LAC, LMC 	<p>Production in the Short-Run Read: Mankiw, ch.14; KW, ch.12; Frank, chs.9-10; Supplement Note provided in our class,</p> <p>Production in the Long-Run Read: Supplement Note provided in our class; Frank, chs. 9-10; KW, ch. 12</p>

Sessions	Lectures	Topics	Activities/Text & Materials/ Media
		<ul style="list-style-type: none"> ○ Relationship between Expansion Path and LTC ○ Relationship between Long-run and Short-run Costs ○ Economies and Diseconomies of Scale 	
#11-#13: Market Structure	3 lectures (17 April 2025) (24 April 2025) (28 April 2025)	<ul style="list-style-type: none"> ○ Meaning ○ Structure of Perfect and Imperfect Markets ○ Producer's Objectives ○ The Meanings of Profits and Loss ○ Profit Maximization <ul style="list-style-type: none"> ▪ TR-TC Approach ▪ MR-MC Approach ○ Perfectly Competitive Market <ul style="list-style-type: none"> ▪ The Nature of Demand, TR, MR, AR and Their Relationships ▪ Short-run Equilibrium ▪ Derivation of Firm's and Market's Short-run Supply Curves ▪ Long-run Equilibrium ○ Monopoly <ul style="list-style-type: none"> ▪ Causes of Monopoly ▪ The Nature of Demand, TR, MR, AR and Their Relationships ▪ Short-run Equilibrium ▪ Economic Effects of Monopoly ○ Comparison between Perfect Competition and Monopoly 	Read: Mankiw, chs.15-16; KW, chs. 13-14
#14: Factor Markets	1 lecture (1 May 2025) (8 May 2025)	<ul style="list-style-type: none"> ○ Demand for factor as a derived demand ○ The firm's demand for a factor ○ The supply of a factor ○ Determination of factor prices <p>Under the two scenarios:</p> <ol style="list-style-type: none"> 1) Both factor market and output market are perfectly competitive. 2) Factor market is perfectly competitive, but output 	Read: Mankiw, ch.19; KW, ch. 20; Perloff, ch. 15.1-15.3

Sessions	Lectures	Topics	Activities/Text & Materials/ Media
		market is under monopoly	
#15: Market Failure	0.5 lecture (8 May 2025)	<ul style="list-style-type: none"> ○ Meaning and Characteristics ○ Origins of Market Failure <ul style="list-style-type: none"> ▪ Monopoly Power ▪ Public Goods ▪ Externalities ▪ Asymmetric Information ○ Consequences of Market Failure ○ Correction of Failure and Imperfections: Government or Private sector 	<p>Read: Mankiw, chs.10-11, 16 and 23; KW, chs. 17-18</p> <p>Watch: “Erin Brockovich”, “Day After Tomorrow”.</p>



Academic Calendar (Semester 2/2024):

Semester 2/2024 (January 20 – May 14, 2025)	
Create Plan from Quota via TU Greats App <i>(*ID.64 – 67)</i>	December 13 – 20, 2024
Registration via TU Greats App <i>(*ID.64 – 67)</i>	December 16 – 20, 2024
Tuition Fee Payment Period (Via TU Greats App) <i>(*ID.64 – 67)</i>	December 16, 2024 – January 17, 2025
Classes Begin	January 20, 2025
Add-drop period	January 20 – February 2, 2025 <i>(from 9.00 AM of January 20 to 10.30 PM of February 2).</i>
Tuition Fee Payment Period (Via TU Greats App)	January 20 – February 3, 2025 <i>(9 AM - 10.30 PM)</i>
<i>Makha Bucha Day *</i>	<i>February 12, 2025</i>
Mid-term Examination Period	March 9 – 16, 2025
Withdrawal period with “W” on record	February 3 – March 30, 2025 <i>(from 9.00 AM of February 3 to 10.30 PM of March 30).</i>
Special Withdrawal with “w” on record	March 31 – 2 May, 2025
<i>Substitution for Chakri Memorial Day*</i>	<i>April 7, 2025</i>
<i>Songkran Festival Day*</i>	<i>April 13 – 16, 2025</i>
Last day of class for Semester 2/2024	May 14, 2025
<i>Substitution for Visakha Bucha Day*</i>	<i>May 12, 2025</i>
Final exam period	May 16 - 30, 2025
Submitting Forms for Degree Conferral	January 20 – February 2, 2025

Remark * Holiday, No classes during this period

Updated: October 17, 2024