

Course Outline

EE 320 Introductory Mathematical Economics (046401)

Semester 1/2021 (9 August – 27 November 2021)

Number of credits:	3 credits
Lecture time:	Tuesday & Thursday, 11:00 -12:30 hrs.
Lecture venue:	Zoom meetings ID: 924 0403 1345 Passcode: 112118
Instructor:	Ajarn Thanasak Jenmana Email: jenmana@econ.tu.ac.th



Course description:

Study of mathematical concepts and tools such as functions, matrices and higher-order derivatives in cases of single and multiple independent variables. Emphasis is on the application of optimization, both with and without constraints, and introductory integral, for understanding relationships of various economic variables and concepts, such as the relationship of aggregate, average and marginal functions. Other topic covered analyses of elasticities, market equilibrium, impacts of taxation and input-output models.

Prerequisites: a) EE 211, EE 212 and MA 216 (or MA211)
or b) EE 213, EE 214 and MA216 (or MA 211)

Course objectives:

1. To equip students with essential mathematical concepts and tools in studying economics.
2. To expose students to the application of mathematical concepts in analyzing economic problems.

Main Text:

Chiang, A. C. and Wainwright, K. (2005) *Fundamental Methods of Mathematical Economics*, 4th edition, McGraw-Hill, Inc., Singapore. (CW)

Assessment:

- | | |
|------------------------|------|
| 1. Problem sets | 20% |
| 2. Midterm Examination | 35 % |
| 3. Final Examination | 45 % |

Note: Practice problems for each topic will be posted on the class website. Students are encouraged to practice these exercises by themselves regularly.

Examination dates:

Mid-Term Examination	Tuesday, September 29, 2021 Time: 15.00 – 17.00.
Final Examination	Monday, December 13, 2021 Time: 13.30 – 16.00.

Class Policies:

Attendance is strongly encouraged. It is the responsibility of the students to obtain any information announced in the class. Ignorance of such information due to absence of class is not a valid defence.

If a student has any question about the lecture, it is highly encouraged to raise them in class. Please do not hesitate to consult the lecturer – you can set up the appointments via email.

Exam materials are cumulative – meaning that in order to perform well in the finals, students must have good understanding of the materials covered throughout the course. Make-up examinations are not permitted unless; (i) in case of illness – you need to provide the faculty with the doctor's medical note; (ii) family emergency – case-by-case basis.

Students are encouraged to work together and exchange ideas outside of class. However, plagiarism and cheating will be treated seriously with disciplinary actions. Thammasat University and our faculty take academic integrity extremely seriously, and there will be academic consequences if you are found possibly guilty of misconducts. Please refer to the university guidelines if you have any questions.

Any changes to the course outline (if any) will be announced in the class or uploaded on the google classroom.

Expected Learning Outcomes:

1. Morality and Ethics

Applicability	Learning Goals
●	1.1 Students demonstrate integrity.
○	1.2 Students prioritize social and public benefits over personal ones.
●	1.3 Students are punctual and comply with the code of conduct of the institution and society at large.
○	1.4 Students are responsible and accountable to society, the nation, and the subject of economics.
○	1.5 Students realize the cultural and environmental value of the sustainable society.

2. Knowledge

Applicability	Learning Goals
●	2.1 Students know and understand modern economics principles and theories, and are up to date with new developments.
●	2.2 Students know and understand Thai and global economic structure, and the importance of major international economic events.
●	2.3 Students know and understand instruments of economic analysis.
●	2.4 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.
○	2.5 Students are informed about related fields including sociology, business administration, education, law policy, and science.

3. Intellectual Development

Applicability	Learning Goals
●	3.1 Students have developed individual critical thinking.
●	3.2 Students are sufficiently trained in research skills.
●	3.3 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.

4. Interpersonal Skills and Responsibilities

Applicability	Learning Goals
●	4.1 Students are responsible for assigned tasks and work in groups effectively.
●	4.2 Students have problem-solving skills.
○	4.3 Students show leadership skills and team spirit.
●	4.4 Students are always improving themselves.
○	4.5 Students have good interpersonal skills, adapting and working under different conditions.

5. Quantitative Analysis, Communication and Information Technology

Applicability	Learning Goals
●	5.1 Students select and apply appropriate statistical and mathematical methods for data processing, interpretation, conclusions, and recommendations to resolve problems.
○	5.2 Students communicate effectively and select appropriate presentation methods.
●	5.3 Students use information and communication technologies appropriately to gather data as well as process, interpret, and present results.

Course Outline:

Topics	
1. Introduction <ul style="list-style-type: none">- Importance and needs to use mathematics in economics.- The nature of theory, economic model and mathematics.	CW. Ch.1
2. Mathematics and Economic Relations <ul style="list-style-type: none">- Relations and functions- Types of functions	CW. Ch.2
3. Static and Comparative Static Equilibrium Analysis <ul style="list-style-type: none">- Linear models in economics- Simultaneous system of equations- Linear equation and graph- Breakeven analysis- Individual and market demand- Individual and market supply- Partial market equilibrium- Excise tax and market equilibrium- Elasticity concept- Simple macroeconomic model- IS-LM model	CW. Ch.3
4. Linear Model, Basic Matrix Algebra and Applications <ul style="list-style-type: none">- Terminology (Type of matrix)- Matrix operations (add, subtract, multiply)- Representation of system of equation by matrix notation- Matrix inversion by determinants- Determinant and singularity of matrix- Cramers rule- Matrix applications in:<ul style="list-style-type: none">- Partial market equilibrium- Excise tax and market equilibrium- Simple macroeconomic model- IS-LM model	CW. Ch. 4, 5

Topics	
<p>5. Nonlinear Model and Differential Calculus in Economic Theory</p> <ul style="list-style-type: none"> - Quadratic theory - Other nonlinear functions - Slope and derivatives of a function - Rule of differentiation - Non differentiable functions - Examples in Economics <ul style="list-style-type: none"> - Derivative and marginality - Relations among the total, the average and the marginal functions - Elasticity, total revenue and marginal revenue 	CW. Ch. 6, 7, 8
<p>6. Optimization without Constraints: One Independent Variable Case</p> <ul style="list-style-type: none"> - Maxima, minima and inflection point - Convexity and concavity - Maximize profits <ul style="list-style-type: none"> - Competitive market case - Monopoly case - Effects of taxes <ul style="list-style-type: none"> - Lump-sum tax - Profit tax - Excise tax - Maximization of tax revenue 	CW. Ch. 9
MIDTERM	
<p>7. Derivatives of More-Than-One Independent Variable Function</p> <ul style="list-style-type: none"> - First-order partial derivatives - Second-order partial derivatives - Differential - Total differential - Total derivatives - Implicit function and its derivative - Examples in economics <ul style="list-style-type: none"> - Partial market equilibrium - Multipliers in macroeconomic models - Utility function - Production function 	CW. Ch. 7, 8

Topics	
<p>8. Optimization without Constraint: More-Than-One Independent Variable Cases</p> <ul style="list-style-type: none"> - Conditions for maximum or minimum - Third degree price discrimination - Multiplant-firm - Multiproduct-firm 	<p>CW. Ch. 11</p>
<p>9. Optimization under Equality Constraint</p> <ul style="list-style-type: none"> - Lagrange multiplier - Conditions for optimization - Maximize output level subject to cost constraint - Minimize cost subject to output constraint - Minimize utility subject to fixed budget 	<p>CW. Ch. 12</p>
<p>10. Integration and Its Application</p> <ul style="list-style-type: none"> - Terminology in Integration - Rules of Integration - Definite Integration - Applications: <ul style="list-style-type: none"> - Total revenue function from marginal revenue function - Total cost function from marginal cost function - Profit function from MR-MC - Utility function from marginal utility function - Consumption and saving functions from marginal propensity functions - Capital formation and investment functions - Consumer surplus, producer surplus and total surplus - First degree price discrimination - Differential equation (if time allows) 	<p>CW. Ch. 14</p>

Note: The class schedule shown above may be adjusted during the semester as needed.

ACADEMIC CALENDAR & HOLIDAY SEMESTER 1/2021

Semester 1/2021 (August 9 - November 27, 2021)	
Classes Begin	August 9, 2021
Add-drop period	August 6 - 15, 2021
Tuition Fee Installment Plan For ID.61-63 only <i>(9 AM - 10.30 PM)</i>	#Round 1 (July 16 – 18, 2021) #Round 2 (August 30 – September 3, 2021) #Round 3 (September 20 – 22, 2021)
<i>H.M. Queen Sirikit The Queen Mother's Birthday*</i>	<i>August 12, 2021</i>
<i>Prince Mahidol Day*</i>	<i>September 24, 2021</i>
Mid-term Examination Period	September 27 - October 3, 2021
Withdrawal period with "W" on record	October 11 - November 15, 2021
<i>H.M. King Bhumibol Adulyadej The Great Memorial Day*</i>	<i>October 13, 2021</i>
<i>Substitution for King Chulalongkorn's Day*</i>	<i>October 22, 2021</i>
<i>King Chulalongkorn's Day*</i>	<i>October 23, 2021</i>
Last day of class for Semester 1/2021	November 27, 2021
Final exam period	November 29-30, December 1-3, 7-9, 11-17, 2021
<i>H.M. King Bhumibol Adulyadej The Great's Birthday*</i>	<i>December 5, 2021</i>
<i>Substitution for H.M. King Bhumibol Adulyadej The Great's Birthday*</i>	<i>December 6, 2021</i>
<i>Constitution Day*</i>	<i>December 10, 2021</i>

Remark * Holiday, No classes during this period