

ECO 101: Introduction to Economics

Instructors

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Course Description

Economics is a social science that includes the study of how individual and aggregate choices affect the market place and the economy. This course will cover both microeconomics and macroeconomics. Microeconomics explores the way in which individual economic agents make decisions. Macroeconomics, on the other hand, focuses at the national level, examining issues such as the total output, inflation and unemployment. This course will attempt to combine economic theory with practical and everyday applications. The goal is to provide students with a sufficient understanding of economic issues and problems so that they may understand the impact of government policy, economic phenomena, and the choices people make.

Textbook

Gregory Mankiw (2007) *Principle of Economics*, 4th ed., South-Western Publishers.

Teaching Mode

In each class, there will be a two and half hour lecture, followed by a one-hour tutorial.

Assessment

Continuous assessment (two quizzes):	40%
Final exam:	60%

Indicative Contents

Part I Introduction

1. Introduction
 - a. Ten Principles of Economics
 - b. Thinking Like an Economist
 - c. Interdependence and the Gains from Trade

Part II Microeconomics

2. The Market Forces of Supply and Demand
 - a. Markets and Competition
 - b. Demand
 - c. Supply
 - d. Supply and Demand Together
3. Elasticity and Its Application
 - a. Elasticity of Demand
 - b. Elasticity of Supply
4. Supply, Demand and Government Policies
 - a. Controls of Prices
 - b. Taxes
5. Externalities
 - a. Externalities and Market Inefficiency
 - b. Private Solutions to Externalities
 - c. Public Policies toward Externalities
6. Public Goods and Common Resources
 - a. Public Goods
 - b. Common Resources
7. The Costs of Production
 - a. Production and Costs
 - b. Various Measures of Costs
 - c. Costs in the Short-Run and Long-Run
8. Firms in Competitive Markets
 - a. What is Competitive Market?
 - b. Profit Maximization
 - c. Supply Curve in a Competitive Market

9. Monopoly
 - a. Why Monopoly Arises?
 - b. How Monopoly Make Producing and Pricing Decisions
 - c. Welfare Costs of Monopoly
 - d. Public Policy toward Monopoly
 - e. Price Discrimination

Part III Macroeconomics

10. Measuring A Nation's Income
 - a. The Economy's Income and Expenditure
 - b. The Measurement of GDP
 - c. The Components of GDP
 - d. Real versus Nominal GDP
 - e. The Limitation of the GDP Measurement
11. Measuring the Cost of Living
 - a. The Consumer Price Index
 - b. Problems in Measuring the Cost of Living
 - c. Correcting Economic Variables for the Effects of Inflation
12. Production and Growth
 - a. Economic Growth Around the World
 - b. Productivity: Its Role and Determinants
 - c. Economic Growth and Public Policy
13. Saving, Investment, and the Financial System
 - a. Financial Institutions
 - b. Saving and Investment in the National Income Account
 - c. The Market for Loanable Funds
14. Aggregate Demand and Aggregate Supply
 - a. Unemployment
 - b. Key Facts about Economic Fluctuation
 - c. Explaining Short-Run Economic Fluctuations
 - d. The Aggregate Demand Curve
 - e. The Aggregate Supply Curve
 - f. Causes of Economic Fluctuations