

American University of Central Asia

“Intermediate Microeconomics” (3/6 credits)

ECO 217/217.1 01481/03087

Prerequisites: ECO 111/112

Spring 2014

Instructor: Gulnara N. Nurieva

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Schedule: lec. / sem. Th 12.45 room 1/229

W 12.45, 14.10 room 1/229, 1/230

Office Hours: by appointment

Literature:

1. Robert S. Pindyck and Daniel L. Rubenfeid. *Microeconomics*. Prentice Hall.
2. Hal R. Varian. *Intermediate Microeconomics. A Modern Approach*. W.W.Norton & Company.

Course Description and Goals: The course is aimed at helping students in learning of offered by microeconomics by means of a consumer choice and the market forces of supply and demand, a behavior of company and a theory of market organization, the economical effects of taxes levy. It focuses on the comprehension of the real events and the political questions, using this knowledge for decision making as for life, production control, as for public policy.

Course Outline:

Week	Themes	Reading
1	1. Preliminaries. The Basics of Supply and Demand: the Market Mechanism, Elasticity's of Supply and Demand.	[1] 2
	2. Consumer Behavior	
2 - 3	2.1 Consumer Preferences. 2.2 Budget Constraints. 2.3 Consumer Choice.	[1] 3.1, 3.5; [2] 3 [1] 3.2; [2] 2 [1] 3.3; [2] 5
4 - 5	2.4 Individual Demand. Curves ICC, Engel curve, Curves PCC. 2.5 Slutsky Equation. Quiz 1	[1] 4.1, 4.2; [2] 8
	3. Production	
6	3.1 The Technology of Production. Isoquants. 3.2 Production with One variable Input (Labor). Production with Two variable Inputs. Returns to Scale.	[1] 6.1, 6.2; [2] 17 [1] 6.3- 6.5
7	3.3 The Cost of Production. Isocosts. Cost minimizing Task. 3.4 Profit Maximization and Competitive Supply.	[1] 7.1-7.4; [2] 20 [1] 8; [2] 18
8	3.5 The Analysis of Competitive Markets.	[1] 9
9	Midterm Exam	
	4. Market Power	
10	4.1 Monopoly. Natural Monopoly. Monopsony.	[1]10; [2] 23
11	4.2 Monopolistic Competition. 4.3 Oligopoly.	[1] 12.1 [1] 12; [2] 26
12	4.4 Pricing with Market Power. Quiz 2	[1]11
	5. General Equilibrium and Economic Efficiency	
13 - 14	5.1 General Equilibrium Analysis. Efficiency in Exchange. 5.2 Efficiency in Production. Efficiency in the Output Market. 5.3 Externalities and Public Goods.	[1] 16.1-16.3, 16.6; [2] 28 [1] 16.7, 18
15	Surveying Lecture. Final Exam	

Note: You will be informed about probably changes in advance.

Grading:

- Midterm Exam – 35
- Final Exam - 35
- Quiz 1, 2 – 15
- Bonus points: class attendance (seminars) – 2, active participation – 3.

Grading Scale:

A	A-	B+	B	B-	C+	C	C-	D	F
More 85	80–84	75-79	70-74	65-69	60-64	55-59	50-54	45-49	less than 45

Course Requirements:

- ✓ If you miss an exam because of an emergency or any predictable reasons, you will have a possibility for testing in appropriate time. For other cases the additional tests are not provided with, you will get a **zero**.
- ✓ Quizzes will be done at the seminars. They are aimed at controlling of preparation to the lessons and a complexity of learning.
- ✓ The criteria of grading your active participation depend on your activity, preparation of homework, presentations (“Pricing with Market Power”, “Oligopoly” – 1 point).
- ✓ If you miss the seminar (except for the first one), one point of the two (class attendance) will be failed.

Academic dishonesty:

You will get a zero for any tasks and exams if it is marked with a dishonest behavior.

I wish you a successful semester and GOOD LUCK!