

---

## PRINCIPLES OF MICROECONOMICS in Fall 2019 (EC2010C)

|                       |                          |                         |                      |
|-----------------------|--------------------------|-------------------------|----------------------|
| <b>Course Code</b>    | EC2010C                  | <b>Professor(s)</b>     | Peter Walkenhorst    |
| <b>Prerequisites</b>  | None                     | <b>Office Number</b>    | n/a                  |
| <b>Class Schedule</b> | TF: 12:10-13:30 in C-103 | <b>Office Hours</b>     | By appointment       |
| <b>Credits</b>        | 4                        | <b>Email</b>            | pwalkenhorst@aup.edu |
| <b>Semester</b>       | Fall 2019                | <b>Office Tel. Ext.</b> | n/a                  |

## Course Description

---

Economics is a discipline that studies how societies and especially modern societies organized by markets try to deal with the problem of scarcity. This course will acquaint you with the principles of economics that apply to societies at an individual or micro-economic level as opposed to an aggregate or macro-economic level. The principles that apply at the latter level are the focus of another course, Principles of Macroeconomics (EC2020). During this course, we will examine prices and how they can allocate scarce resources among alternative uses. We will also examine markets, how they can work, and how they can fail.

## Course Learning Outcomes

---

The analysis of the fundamentals of economic thinking, using production possibility frontiers to explain, scarcity, choice, efficiency and opportunity costs.

Familiarizing students with the meaning, graphical presentation and mathematical expression of demand and supply curves; how are they constituted, how do they shift, equilibrium as well as disequilibrium prices and quantities

The mathematical and graphical explanation and analysis of elasticity and its microeconomic significance.

Understanding consumer behavior and their decision making process through utility and indifference theories

The theory of the firm, market structure, perfect and imperfect competition, laws of production, cost and profit maximization

## General Education

---

The general education program at AUP consists of four requirements: Speaking the World, Modeling the World, Mapping the World, and Comparing Worlds Past and Present.

This course can be used to fulfill the Mapping the World requirement and as such has the following learning outcomes:

- How have societies organized themselves to try to deal with the problem of scarcity?
- How does a market system function from a microeconomic point of view?
- How can government intervention help the performance of that system?

## Course Outline

---

### CLASS SCHEDULE

| Session | Day | Date      | Topic                                | Reading        |
|---------|-----|-----------|--------------------------------------|----------------|
| 1       | Tue | 03-Sep-19 | What Economics is About              | Arnold, ch. 1  |
| 2       | Fri | 06-Sep-19 | Production possibility frontier      | Arnold, ch. 2  |
| 3       | Tue | 10-Sep-19 | Demand and supply                    | Arnold, ch. 3  |
| 4       | Fri | 13-Sep-19 | The role of prices                   | Arnold, ch. 4  |
| 5       | Tue | 17-Sep-19 | Pricing applications                 | Arnold, ch. 5  |
| 6       | Fri | 20-Sep-19 | Elasticity                           | Arnold, ch. 20 |
| 7       | Tue | 24-Sep-19 | Consumer choice                      | Arnold, ch. 21 |
| 8       | Fri | 27-Sep-19 | Production and costs                 | Arnold, ch. 22 |
| 9       | Tue | 01-Oct-19 | Perfect competition                  | Arnold, ch. 23 |
| 10      | Fri | 04-Oct-19 | Monopoly                             | Arnold, ch. 24 |
| 11      | Tue | 08-Oct-19 | Monopolistic competition & oligopoly | Arnold, ch. 25 |
| 12      | Fri | 11-Oct-19 | Anti-trust and regulation            | Arnold, ch. 26 |
| 13      | Tue | 15-Oct-19 | Midterm exam                         | -              |
| 14      | Fri | 18-Oct-19 | Factor markets                       | Arnold, ch. 27 |
| 15      | Tue | 22-Oct-19 | Wages and unions                     | Arnold, ch. 28 |
| 16      | Fri | 25-Oct-19 | Income distribution and poverty      | Arnold, ch. 29 |
| 17      | Tue | 29-Oct-19 | Interest, rent and profit            | Arnold, ch. 30 |
| -       | Fri | 01-Nov-19 | Fall break                           | -              |
| 18      | Tue | 05-Nov-19 | Externatilities                      | Arnold, ch. 31 |
| 19      | Fri | 08-Nov-19 | Public goods                         | Arnold, ch. 31 |
| -       | Tue | 12-Nov-19 | Holiday (Armistice)                  | -              |
| 20      | Fri | 15-Nov-19 | Asymmetric information               | Arnold, ch. 31 |
| 21      | Tue | 19-Nov-19 | Public choice                        | Arnold, ch. 32 |

---

|    |     |           |                                      |                |
|----|-----|-----------|--------------------------------------|----------------|
| 22 | Fri | 22-Nov-19 | International trade                  | Arnold, ch. 34 |
| 23 | Tue | 26-Nov-19 | International finance                | Arnold, ch. 35 |
| 24 | Fri | 29-Nov-19 | Globalization                        | Arnold, ch. 36 |
| 25 | Tue | 03-Dec-19 | Economic policy example: agriculture | Arnold, ch. 39 |
| 26 | Fri | 06-Dec-19 | Course review                        |                |
| 27 | Tue | 17-Dec-19 | Final exam (12:00)                   |                |

## Textbooks

| Title                                                                    | Author             | Publisher | ISBN          | Required |
|--------------------------------------------------------------------------|--------------------|-----------|---------------|----------|
| ECONOMICS.,<br>12TH EDITION<br>WITH APLIA<br>CODE, 2TERMS<br>(12 MONTHS) | ARNOLD, ROGER<br>A | CENGAGE   | 9781285738338 | Yes      |

## Attendance Policy

Students studying at The American University of Paris are expected to attend ALL scheduled classes, and in case of absence, should contact their professors to explain the situation. It is the student's responsibility to be aware of any specific attendance policy that a faculty member might have set in the course syllabus. The French Department, for example, has its own attendance policy, and students are responsible for compliance. Academic Affairs will excuse an absence for students' participation in study trips related to their courses.

Attendance at all exams is mandatory.

IN ALL CASES OF MISSED COURSE MEETINGS, THE RESPONSIBILITY FOR COMMUNICATION WITH THE PROFESSOR, AND FOR ARRANGING TO MAKE UP MISSED WORK, RESTS SOLELY WITH THE STUDENT.

Whether an absence is excused or not is ALWAYS up to the discretion of the professor or the department. Unexcused absences can result in a low or failing participation grade. In the case of excessive absences, it is up to the professor or the department to decide if the student will receive an "F" for the course. An instructor may recommend that a student withdraw, if absences have made it impossible to continue in the course at a satisfactory level.

---

Students must be mindful of this policy when making their travel arrangements, and especially during the Drop/Add and Exam Periods.

## Grading Policy

---

Grading will be based on the following elements:

Class participation & homework: 25%

Quizzes: 25%

Mid-term exam: 25%

Final exam: 25%

## Other

---