



Principles of Microeconomics

EC 142

Course Outline

<p>Objective</p>	<p>This module is intended as an introduction to the principles of microeconomics. Microeconomics studies how rational people makes choices in the face of scarcity and how these choices are coordinated by markets. We study how markets work to promote economic efficiency, and why markets sometimes fail. We explore the behaviour of consumers and producers in the market, and explain how interference in the market can lower economic surplus. Critical to the study of microeconomics is the role played by incentives. We will study how rational agents respond to incentives. The module will consider the appropriate role for government in the economy, the importance of competition in the market, and the behaviour of markets that exchange factors of production like labour. The aim throughout will be to introduce students to the “economic way of thinking”.</p>			
<p>Lecturer</p>	<p>Name Dr. Ashley Piggins</p>	<p>Office Room 329 Cairnes Building</p>	<p>Ext 2300</p>	<p>E-mail ashley.piggins@nuigalway.ie</p>
<p>Times</p>	<p>Lectures:</p>	<p>Day Monday Wednesday Thursday</p>	<p>Time 2 - 3 11 - 12 9 – 10</p>	<p>Venue Kirwan O’Flaherty O’Flaherty</p>
<p>Overall Learning Outcomes</p>	<p>Understand the concepts of scarcity and opportunity cost. Understand the cost/benefit principle and rational behaviour. Understand Pareto efficiency and Adam Smith’s idea of the “invisible hand”. Understand the principle of comparative advantage. Understand the concepts of consumer surplus and producer surplus. Understand how supply and demand determine equilibrium prices and quantities. Understand the theory of consumer choice. Understand producer theory. Understand the determinants of demand and supply. Employ the method of comparative statics.</p>			

Course Name - course code

	<p>Understand the behavior of producers who operate in different competitive environments.</p> <p>Understand why perfect markets lead to a Pareto efficient allocation of resources.</p> <p>Understand why markets sometimes fail to allocate resources efficiently and explain why this justifies a role for government in the economy.</p> <p>Understand information economics and behavioural economics.</p>
Format	Three lectures per week, 36 lectures in total.
Programme(s)	1BC1
Course Material	A course website is available at http://blackboard.nuigalway.ie

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Core Text	<p>The textbook for this course is “Economics”, by N. Gregory Mankiw and Mark P. Taylor, Third Edition, Cengage. Copies are available in the NUIG bookshop.</p> <p><i>Note: Students need their own copy</i></p>												
Supplementary Texts	<p>There are many good books in addition to Mankiw/Taylor. I recommend Essentials of Economics, by P. Krugman, R. Wells and K. Graddy, Worth Publishers, Second Edition. Another good book is Principles of Economics, by R. Thom, M. McDowell, I. Pastine, R. Frank and B. Bernanke, McGraw-Hill, Third Edition.</p> <p>An excellent, out-of-print book for ambitious students is The Applied Theory of Price by Donald McCloskey. A copy is available in the library. This book is more advanced than the others.</p>												
Assessment	<table border="0"> <tr> <td>1.</td> <td>End of Year Examination</td> <td>70%</td> </tr> <tr> <td>2.</td> <td>Continuous Assessment</td> <td>30%*</td> </tr> </table> <p>Continuous assessment involves completing weekly on-line homework through software called Aplia. Access to Aplia comes with the textbook. Further details are available on the course web site, under CONTENT.</p>	1.	End of Year Examination	70%	2.	Continuous Assessment	30%*						
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