



北京大學  
汇丰商学院

Peking University HSBC Business School

# ECON510

## Microeconomics

### Module 1, 2016-2017

#### Course Information

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**Instructor: Yang Xu**

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Office Hour: Tuesday 2:00~4:00pm, or by appointment

**Teaching Assistants:**

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**Classes:**

Lectures: Tuesday and Friday at 10:30~12:20

Venue: PHBS Building, Room 311

**Course Website:** TBA

## 1. Course Description

### 1.1 Context

Course overview:

This course covers the fundamental theories of the consumer, the firm, and the markets. Students will learn how changes in supply and demand in the product and resource markets affect prices and quantities available. They will be presented with the principles of marginal analysis, consumer behavior, and the theory of the firm. Other topics will include the determination of profit maximizing output and pricing decisions of business in various market structures, the determination of wages and income distribution. These are the tools that allow the examination of various social problems, including unemployment, pollution, to name just a few.

In this class, comments and questions are welcome and encouraged. Things that seem confusing or controversial are naturally that way for some of the topics; students and instructors both will benefit if you ask interesting and thought provoking questions. It is rather difficult to find a perfect and unambiguous answer to some specific socio-economic questions; open discussion is very inspiring in the context of a classroom, and is thus encouraged.

Prerequisites:

There is no prerequisite for this class. Students with a background in calculus and optimization will find this class more accessible.

## 1.2 Textbooks and Reading Materials

### • Required Textbook:

Robert S. Pindyck and Daniel L. Rubinfeld, *Microeconomics*, Prentice Hall, 8<sup>th</sup> Edition, 2012

### • Recommended References:

Hal Varian, *Intermediate Microeconomics: A Modern Approach*, Norton & Company, 9<sup>th</sup> Edition, 2014

Mas-Colell, Whinston, and Green, *Microeconomic Theory*, Oxford University Press.

### • Recommended Additional Readings

Additional reading materials may be mentioned later. Lecture notes and supplementary materials will be available on the Course Management System (<http://cms.pkusz.edu.cn>).

### Requirements

- Students are expected to read all assigned readings before each class and show up for class on time.

## 2. Learning Outcomes

### 2.1 Intended Learning Objectives / Outcomes

Learning Goals	Objectives/Outcomes	Assessment
1. Our graduates will be effective communicators.	1.1. Our students will produce quality business and research-oriented documents.	See Section 2.3
	1.2. Students are able to professionally present their ideas and also logically explain and defend their argument.	See Section 2.3
2. Our graduates will be skilled in team work and leadership.	2.1. Students will be able to lead and participate in group for projects, discussion, and presentation.	See Section 2.3
	2.2. Students will be able to apply leadership theories and related skills.	See Section 2.3
3. Our graduates will be trained in ethics.	3.1. In a case setting, students will use appropriate techniques to analyze business problems and identify the ethical aspects, provide a solution and defend it.	See Section 2.3
	3.2. Our students will practice ethics in the duration of the program.	See Section 2.3
4. Our graduates will have a global perspective.	4.1. Students will have an international exposure.	See Section 2.3
5. Our graduates will be skilled in problem-solving and critical thinking.	5.1. Our students will have a good understanding of fundamental theories in their fields.	See Section 2.3
	5.2. Our students will be prepared to face problems in various business settings and find solutions.	See Section 2.3
	5.3. Our students will demonstrate competency in critical thinking.	See Section 2.3

### 2.2 Course specific objectives

Based on the information and knowledge delivered in this class and the forming of your own perception and understanding of the questions, after this class, students are expected to be able to:

- understand the role of markets in allocating scarce resources;
- understand the impact (good and bad) of government intervention in the market;
- ask good (and sensible) economic questions, both to yourself and to others;
- offer good arguments regarding the answers to various real life socio-economic

problems.

### **2.3 Assessment/Grading Details**

Quizzes: 30%

Final exam: 40%

Class participation: 10%

Group project: 20%

FYI, GPAs below 70 are considered as failure of the course by the PKU academic rule.

### **2.4 Academic Honesty and Plagiarism**

It is important for a student's effort and credit to be recognized through class assessment. Credits earned for a student work due to efforts done by others are clearly unfair. Deliberate dishonesty is considered academic misconducts, which include plagiarism; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis.

All assessments are subject to academic misconduct check. Misconduct check may include reproducing the assessment, providing a copy to another member of faculty, and/or communicate a copy of this assignment to the PHBS Discipline Committee. A suspected plagiarized document/assignment submitted to a plagiarism checking service may be kept in its database for future reference purpose.

Where violation is suspected, penalties will be implemented. The penalties for academic misconduct may include: deduction of honour points, a mark of zero on the assessment, a fail grade for the whole course, and reference of the matter to the Peking University Registrar.

For more information of plagiarism, please refer to *PHBS Student Handbook*.

## **3. Topics, Teaching and Assessment Schedule**

Due to the limitation of teaching hours, we cannot possibly cover all topics of modern microeconomics. In this class, we will cover the most fundamental and most important topics in understanding the essence of how the economy works in its micro aspect. The following are a list of topics that we plan to cover in this course. There could be some minor adjustments based on the students' feedback throughout the course. The assigned reading materials are the minimum requirement. We may introduce additional reading assignments later.

### **Topic 1 Introduction to Microeconomics: The Economic Way of Thinking**

#### **Readings**

Pindyck et al., chapters 1.

### **Topic 2 Consumer Behaviors and Demand Theory**

#### **Readings**

Pindyck et al., chapters 3, 4.

### **Topic 3 Firm Behaviors Part I: Production and Cost Theory**

#### **Readings**

Pindyck et al., chapters 6, 7.

**Topic 4 Firm Behaviors Part II: Profit and Competition**

**Readings**

Pindyck et al. chapters 8.

**Topic 5 Supply, Demand, and Market Mechanism**

**Readings**

Pindyck et al. chapters 2,9.

**Topic 6 Firm Behaviors Part III: Market Structure and Pricing Strategy**

**Readings**

Pindyck et al., chapters 10, 11, 12, and part of 13.

**Topic 7 The Factors Market**

**Readings**

Pindyck et al., chapter 14.

**Topic 8 Information, Market Failure, and the Role of Government**

**Readings**

Pindyck et al., chapter 16, 17, and 18

**4. Miscellaneous**