

Microeconomic Principles: A modern approach

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Course Description and Objectives

The aim of this course is to provide an introduction to microeconomic principles and apply these to address a range of economic questions across various fields. The topics that will be covered include consumer and producer choice, competitive markets and monopolies, market failure and government intervention, taxation, social welfare and inequality. The course intends to explore these economic issues at an intermediate level and only using a minimal amount of mathematics (in particular, without the use of calculus). All concepts will be introduced and explored in lectures and classes and no previous knowledge is required.

Teaching strategy

Teaching is by lectures and seminar discussions. The lectures last 3 hours each and run throughout the 12-week term.

Assessment

The assessment will consist of a number of assignments accounting for 70% of the final mark and a written examination that is worth 30% of the final mark.

Topics:

- Introduction to markets
 - Supply and demand
 - Equilibrium
- Consumer Theory
 - The analysis of decision-making under constraints: preferences and utility
 - Deriving individual demand
 - Welfare analysis - consumer surplus
- Producer theory
 - Production and cost functions
 - Firm and industry supply
 - Welfare analysis - producer surplus
- Market structure
 - The competitive model
 - Positive analysis of the competitive model
 - Normative analysis of the competitive model
- Welfare economics
- Market failure
 - Monopoly, externalities, public goods

- Efficiency, distribution and inequality
Social welfare
The role of government intervention
- Decision-making with Risk
Expected utility theory; risk-sharing, risk-pooling and insurance
- Asymmetric Information
- Contracts and markets with moral hazard and adverse selection

Readings

Notes prepared by the lecturer will also be given as supplementary material.

Articles

<https://www.adamsmith.org/blog/the-case-for-legal-organ-sales>

<https://fee.org/articles/how-a-fish-became-prisoncurrency/>

<https://www.brookings.edu/opinions/want-herd-immunity-pay-people-to-take-the-vaccine/>

<https://www.gov.uk/government/news/plastic-bag-use-falls-by-more-than-98-after-charge-introduction>

<https://cepr.org/voxeu/columns/investigating-income-and-health-effects-industrial-jobs-workers-poor-countries>