

**Syllabus**  
**Principles of Microeconomics**  
**Fall 2019**

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**Description**

This course presents microeconomics models and concepts, and prepares students to analyze real microeconomic data and issues in the ways used by managers, policy makers, market analysts, researchers and the media. The focus is on the analysis and understanding of economic issues and problems at the individual, firm, market, sector and regional level. The conceptual frameworks and models covered in the course are presented as tools to think like an economist, and understand and predict the economic behavior of individuals, firms, markets and the government.

**Table of Contents**

**Microeconomics**

**PART 1. INTRODUCTION, BASIC ECONOMICS MODELS.**

- 1.1 Economics: foundations and models (FB, ch. 1).
- 1.2 Trade-offs, comparative advantage and trade (FB, ch. 2).

**PART 2. DEMAND, SUPPLY AND THE MARKET.**

- 2.1 Demand, supply and prices (FB, ch. 3).
- 2.2 Supply and demand elasticity (FB, ch. 4).
- 2.3 Demand (FB, ch. 5).
- 2.4 Perfectly competitive supply (FB, ch. 6).
- 2.5 Efficiency, exchange and the market (FB, ch. 7).

**PART 3. MARKET IMPERFECTIONS AND GOVERNMENT INTERVENTIONS.**

- 3.1 Imperfect competition (FB, ch.8).
- 3.2 Games and strategic behavior (FB, ch. 9).
- 3.3 Externalities and property rights (FB, ch. 10).
- 3.4 The economics of information (FB, ch. 11).
- 3.5 Labor markets, poverty and income distribution (FB, ch. 12).
- 3.6 The environment, health and safety (FB, ch. 13).
- 3.7 Public goods and tax policy (FB, ch. 14).

**TEXTBOOK**

(FB) Frank, Robert; Bernanke, Ben; Antonovics, Kate and Ori Heffetz (2016): "Principles of Economics", sixth edition, Mc Graw Hill.

Copies of the textbook are available at the campus library, and digital copies will be available at COPLAN, the Copy Central on campus.

## ONLINE LEARNING

<https://www.khanacademy.org/economics-finance-domain/microeconomics>

## GRADING

There will be up to twelve **problem sets (20%)**, two **midterm exams (25% each)**, and a **final exam (30%)**.

## ATTENDANCE

Minimum attendance required to pass the course: 75% of lectures and discussion sections.

## ADDITIONAL READING

### Section 1.1

F. A. Hayek (1945) "The Use Of Knowledge In Society" American Economic Review, XXXV, No. 4; September, Pp. 519–30.

<http://object.cato.org/sites/cato.org/files/articles/hayek-use-knowledge-society.pdf>

Landsburg, Steven (1993) "The armchair economist". Chapter 1. The power of incentives.

[http://f3.tiera.ru/2/G\\_Economics/GPop\\_Popular/Landsburg%20S.%20The%20armchair%20economist%20\(Free%20Press,%201995\)\(ISBN%200029177766\)\(235s\)\\_GPop\\_.pdf](http://f3.tiera.ru/2/G_Economics/GPop_Popular/Landsburg%20S.%20The%20armchair%20economist%20(Free%20Press,%201995)(ISBN%200029177766)(235s)_GPop_.pdf)

### Section 1.2

Krugman, Paul (1994). "Competitiveness: A Dangerous Obsession". Foreign Affairs, March/April.

<http://www.foreignaffairs.com/articles/49684/paul-krugman/competitiveness-a-dangerous-obsession>

### Section 2.1

R. A. Radford (1945). "The Economic Organization of a P.O.W. Camp," *Economica*, November, pp. 189-201. <http://www-rohan.sdsu.edu/~hfoad/e111su08/Radford.pdf>

### Section 3.4

Akerlof, George (1970). "The market for "Lemons": Quality, Uncertainty and the Market Mechanism". *The Quarterly Journal of Economics*, Volume 84, Issue 3 (August), 488-500

[http://socsci2.ucsd.edu/~aronatas/project/academic/Akerlof\\_on\\_Lemons.pdf](http://socsci2.ucsd.edu/~aronatas/project/academic/Akerlof_on_Lemons.pdf)

### Section 3.7

The Economist (1996). Schools Brief. "State and Market"

<http://walker.d.people.cofc.edu/Readings/Markets/schoolsbrief.pdf>

The Economist (2012). Narconomics. <http://www.economist.com/node/21559598>

Becker, Gary and Kevin Murphy (2004). "Have We Lost the War on Drugs?". The Wall Street Journal, January 4<sup>th</sup>.

<http://online.wsj.com/news/articles/SB10001424127887324374004578217682305605070>

## **ECONOMIC AND FINANCIAL PRESS**

### **Free**

<http://www.bbc.com/>

<http://www.reuters.com/>

<http://www.bloombergview.com/>

<http://topics.bloomberg.com/bloomberg-news/>

### **Paid subscriptions**

<http://www.ft.com/>

<http://www.wsj.com/>

<http://www.nytimes.com/>

<http://www.economist.com/>