

**OSTİM TECHNICAL UNIVERSITY
FACULTY OF ECONOMICS AND ADMINISTRATIVE SCIENCES**

**COURSE SYLLABUS FORM
2021-2022 FALL**

ECON 201 Microeconomics							
Course Name	Course Code	Period	Hours	Application	Laboratory	Credit	ECTS
Microeconomics	ECON 201	1	3	0	0	3	6

Language of Instruction	English
Course Status	Compulsory
Course Level	Bachelor
Learning and Teaching Techniques of the Course	Lecture, Question-Answer, Problem Solving

Course Objective
The aim of this course is to present a treatment of the methods of microeconomics that would allow students to apply these tools on their own. In this respect, the fundamental conceptual foundations of microeconomics are explained and concrete examples of their application are provided. This course provide an understanding of microeconomics by concentrating on the behavior of decision makers, namely consumers, producers and government and functioning of markets in the economy. Topics covered are market, budget constraint, consumer preferences, utility function, optimal choice, consumer demand, market demand, market equilibrium, profit maximisation, cost minimisation, cost curves and markets such as perfect competition, monopoly. monopolistic competition and oligopoly.

Learning Outcomes
<p>The students who become successful in this course will be able;</p> <ul style="list-style-type: none"> to learn the basic concepts of microeconomics, to learn the basic methods of microeconomics, to apply the basic methods of microeconomics on their own to understand the behavior of major decision makers, i.e., consumers, producers and the Government to learn about different market structures, ie. perfect competition, monopoly, monopolistic competition and oligopoly.

Course Outline
<p>The course starts with the introduction of market which includes demand, supply, market equilibrium and pareto efficiency. Then, budget constraint, budget line and taxes, subsidies and rationing are explained. Then, consumer preferences, indifference curves and marginal rate of substitution are examined. Next, the concept of utility is examined in detail including cardinal utility, utility function and marginal utility. Then, the choice of consumers is analysed including optimal choice, consumer demand, estimating utility function and implications of the marginal rate of substitution conditions. Next, the consumer demand is examined including normal and inferior goods, ordinary goods and Giffen goods, income offer curves and Engel curves and inverse demand function. After the Mid-term Exam, firstly, the market demand and market equilibrium are explained. Then, profit maximisation, cost minimisation and cost curves are examined. The course is completed by a thorough discussion of the various market structures such as perfect competition, monopoly, monopolistic competition and oligopoly.</p>

Weekly Topics and Related Preparation Studies		
Weeks	Topics	Preparation Studies
1	The Market (Varian, Chap.1)	Demand curve Supply curve Market equilibrium Comparative statics Pareto efficiency
2	Budget Constraint (Varian, Chapter.2)	Budget constraint Budget line Taxes, subsidies and rationing
3	Preferences (Varian, Chapter 3)	Consumer preferences Indifference curves Example of preferences (i.e., perfect substitutes, perfect supplements, bads, neutrals, satiation, discrete goods) Marginal rate of substitution
4	Utility (Varian, Chapter 4)	Cardinal utility Utility function Examples of utility function (perfect substitutes, perfect complements, quasilinear preferences, Cobb-Douglas preferences) Marginal utility
5	Choice (Varian, Chapter 5)	Optimal choice Consumer demand Example of optimal choice (i.e., perfect substitutes, perfect complements, discrete goods, concave preferences, Cobb-Douglas preferences) Estimating utility function Implications of the MRS conditions
6	Demand (Varian, Chapter 6)	Normal and inferior goods Income offer curves and Engel curves Some examples of income offer curves and Engel curves Ordinary goods and Giffen goods Price offer curve and demand curve Some examples of demand curve Inverse demand function
7	Market Demand (Varian, Chapter 15)	From individual to market demand Inverse demand function Elasticity Income elasticity of demand Marginal revenue
8	MIDTERM EXAM	

9	Equilibrium (Varian, Chapter 16)	Supply Market Equilibrium Taxes Deadweight loss of a tax Pareto efficiency
10	Profit Maximization (Varian, Chapter 20)	Profits Profit maximisation in the short-run Profit maximisation in the long-run
11	Cost Minimisation (Varian, Chapter 21)	Cost minimisation Long-run and short-run costs Fixed and quasi-fixed costs Sunk costs
12	Cost Curves (Varian, Chapter 22)	Average costs Marginal costs Variable costs Long-run costs
13	Firm Supply (Varian, Chapter 23)	Perfect competition market Supply in perfect competition Profit and producer's surplus Long-run supply curve
14	Monopoly, Monopolistic Competition (Varian, Chapter 25 and Chapter 26)	Maximising profits Inefficiency of monopoly Deadweight loss of monopoly Natural monopoly Causes of monopoly Monopolistic competition
15	Oligopoly (Varian, Chapter 28)	Choosing a strategy Comparison of solutions
16	FINAL EXAM	

Textbook(s)/References/Materials:

TEXTBOOK: Varian, Hal C. (2020) *Intermediate Microeconomics: A Modern Approach, International Student Edition* (Ninth Edition), W. W. Norton & Company, New York, London

Assessment

Studies	Number	Contribution margin (%)
Attendance		
Lab		
Classroom application and performance	1	20
Field Study		
Course-Specific Internship (if any)		
Quizzes / Studio / Critical		
Homework		
Presentation		
Projects		
Report		

Seminar		
Midterm Exam/Midterm Jury	1	30
General Exam / Final Jury	1	50
Total		100
Success Grade Contribution of Semester Studies		50
Success Grade Contribution of End of Term		50
Total		100

Relationship Between Course Learning Outcomes and Program Competencies

Nu	Learning Outcomes	Contribution Level				
		1	2	3	4	5
1	to learn the basic concepts of microeconomics					X
2	to learn the basic methods of microeconomics					X
3	to apply the basic methods of microeconomics on their own					X
4	to understand the behavior of major decision makers, i.e., consumers, producers and the government					X
5	to learn about different market structures, ie. perfect competition, monopoly, monopolistic competition and oligopoly					X

ECTS / Workload Table

Activities	Number	Duration (Hours)	Total Workload
Course hours (Including the exam week): 16 x total course hours)	16	3	48
Laboratory			
Application			
Course-Specific Internship	16	1	16
Field Study			
Study Time Out of Class	16	3	48
Presentation / Seminar Preparation			
Projects			
Reports			
Homeworks			
Quizzes / Studio Review			
Preparation Time for Midterm Exams / Midterm Jury	1	28	28
Preparation Period for the Final Exam / General Jury	1	40	40
Total Workload		(180/30 = 6)	180