

ECN100 Microeconomics

3rd and 4th quarters, Freshman

Instructor	IIDA TAKESHI
Style of Class	Lecture
Number of Credits	2
Day and Period	Wednesday, Period 2

Course Description

The purpose of this course is to learn, through analysis of consumer and corporate behavior, the fundamental theory that underpins microeconomics and is required to develop an understanding of basic approaches to economics. Economics is a social science that ultimately aims to enrich people's lives, and reflects on the problem of how a limited amount of valuable resources can be allocated without waste. The concept of markets plays a critical role in this respect. In this course, students will use fundamental microeconomic theory to deepen their understanding of the role of markets in "realizing efficient (i.e., without waste) distribution of resources as perfectly competitive markets," as well as the role of governments when markets are not functioning properly.

Course Objectives

Students will:

- (1) understand the price formation process,
- (2) understand the role of markets, and
- (3) understand the role of governments.

Expected Outcomes

Acquire knowledge on economic approaches

Acquire ability to discuss relevant economic problems using fundamental microeconomic theory.

Prerequisites

None in particular.

Class Materials

Ashiya Masahiro (2009) *Maikuro-keizaigaku* (Microeconomics), Yuhikaku Publishing.

Reference:

Kandori Michihiro (2014), *Maikuro-keizaigaku no chikara* (Microeconomics), Nippon Hyoronsha.

Course Method

Lectures will mainly use the blackboard and be supplemented with PowerPoint presentations if necessary.

Grading

20% Question assignments

80% Final exam

Course Schedule

Week 1:

Definition of microeconomics

Week 2:

When do lower prices drive higher sales?

Week 3:

How is the level of consumer satisfaction expressed? (Consumer behavior fundamentals 1)

Week 4:

How is the optimal consumption schedule decided? (Consumer behavior fundamentals 2)

Week 5:

Optimal consumption schedule and policy evaluation (Consumer behavior fundamentals 3)

Week 6:

Optimal consumption schedule and demand curve (Consumer behavior fundamentals 4)

Week 7:

Shapes exhibited by labor supply curves (Application to consumer behavior)

Week 8:

Various expenditure concepts (Corporate behavior fundamentals 1)

Week 9:

Profit maximization and supply curves (Corporate behavior fundamentals 2)

Week 10:

When does market entry by new companies come to an end? (Long-term corporate behavior)

Week 11:

What are the most desirable conditions from a social point of view? (Partial equilibrium analysis 1)

Week 12:

Is government market intervention desirable? (Partial equilibrium analysis 2)

Week 13:

Definition of Pareto efficiency (General equilibrium 1)

Week 14:

Markets are infallible (General equilibrium 2)

Week 15:

Are markets always infallible? (Market failures)

Preparation and Follow-up

Preparation: Review the relevant textbook chapters ahead of class (approx. 1 hour).

Follow-up: Students will be assigned questions after each class. While responding to the questions, they will be expected to review class content and identify points requiring further clarification (approx. 1 hour).