

ROCHESTER INSTITUTE OF TECHNOLOGY
DEPARTMENT OF ECONOMICS

0511-211-05 PRINCIPLES OF MICROECONOMICS

Professor: Dr. Shatakshee Dhongde
Class Room: Bldg. 7, Room 1480
Class Time: MW 2 p.m. to 3.50 p.m.

Office: 01-1336
Office Hours: MW Noon to 2.p.m.
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Course Description:

This course introduces to the students the fundamental conceptual foundations of Microeconomics. Microeconomics studies the choices that individuals, private and public enterprises make in a market setting. In this course, we will learn how to build models of complex social phenomena, which are simplified representations of reality. We will follow an analytical approach, using rigorous, logical reasoning to solve problems. In order to develop further insight we will use graphs to illustrate concepts and numerical examples to put theory in practice. This course will equip the students with building blocks of economic reasoning which will help them understand other sub-disciplines in economics.

Text:book

- Microeconomics by Parkin, Pearson Addison-Wesley, 7th edition.

Course Outline:

1. **Introduction:** Definition of Economics, Marginal Principle, Tradeoffs and Opportunity Cost.
2. **Demand:** Law of Demand and Supply, Factors influencing Demand and Supply, Market Equilibrium, Predicting Changes in Price and Quantity.
3. **Elasticity:** Price Elasticity of Demand, Total Revenue, Other Elasticities.
4. **Efficiency and Equity:** Consumer and Producers Surplus, Efficiency of Market Equilibrium.
5. **Consumer Theory:** Preferences, Budget Constraint, Rational Choice.
6. **Output and Costs:** Technology Constraints, Short-run and Long-run Costs.
7. **Perfect Competition:** Profit Maximization, Market Equilibrium, Economic Profits.
8. **Monopoly:** Price Setting, Rent Seeking, Price Discrimination, Efficiency.
9. **Monopolistic Competition:** Product Differentiation, Profits, Innovation and Efficiency.
10. **Oligopoly:** Barriers to Entry, Kinked Demand Model, Examples.

Course outline may be revised during the quarter.

Grading:**1. Class Attendance and Participation: 10%****2. Quizzes: 30%**

There will be weekly quizzes held during the class. Quizzes will be typically based on materials covered in previous lectures.

3. Exam 1: 30%

First exam is tentatively scheduled on **Monday, April 9th 2007**

4. Exam 2: 30%

Second exam will be scheduled in the finals (11th) week of the quarter.

Both exams are compulsory and should be taken on the announced day and time. There will be no makeup exams given. Final grade will depend on the weighted average of the grading components given above.

Final letter grades will be assigned as given below:

- 86% to 100%: A
- 71% to 85%: B
- 56% to 70%: C
- 41% to 55%: D
- 40% or less: F

Students with Disabilities:

RIT is committed to fostering an environment where students and faculty/staff with disabilities have the same access to academic programs, support services, social events, and physical facilities as other members of the RIT community. RIT has adopted a set of guiding principles and a set of procedures for providing students and faculty/staff members with appropriate accommodations so that they can successfully study and work at RIT. Information regarding the process for requesting and receiving accommodations can be obtained from the Disability Services Coordinators Office (Eastman Building, Room 2342, telephone 475-7804 V/TTY, or 475-6988 TTY).