Course program and reading list
Semester 1 Year 2023

School: Tiomkin School of Economics B.A

Principles of Micro Economics

Lecturer:
Dr. Yael Hadass yhadass@runi.ac.il

Tutors:
Ms. Avigayil Miriam Holder avigayil.miriam@post.runi.ac.il

Teaching Assistant:
Ms. Ira Fridman Cohen ira.fridmancohen@post.runi.ac.il

Course No.: 9682 Course Type : Lecture Weekly Hours : 3 Credit: 3

Course Requirements : Group Code : 231968205 Language: English

Prerequisites

Students who took one of the courses listed below will not be allowed to register to the course Principles of Micro Economics (9682):

9115 – Principles of Micro Economics

Course Description
This course is the basic course in economics which covers the basic concepts and
principles of economic theory at the micro level. The topics are: scarcity; the production possibility frontier; demand and supply of products and the determination of prices and quantities; equilibrium prices and quantities in perfect competition; government intervention like taxes, subsidies and price controls, and their effect on the market, externalities and unique market structures.

Course Goals

Our goal is to understand the world around us using economic models.

The students will learn:

1. How to identify tradeoffs
2. How to identify incentives
3. How Markets Work?
   1. What makes a product price go up?
   2. What makes a product price go down?
   3. What are the forces that change how much a quantity of product is being produced and traded in the market?
   4. Who is affected and by how much he/she is affected by changes in price and quantity?
   5. What are the contributions and downside of economic policy tools such as taxes and subsidies

Grading

You course Grade is composed of the following:

<table>
<thead>
<tr>
<th>Weight in the Final Grade</th>
<th>Description</th>
<th>Requirements</th>
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<tbody>
<tr>
<td>70%</td>
<td>Exam</td>
<td>You must pass the exam in grade of 60, otherwise you will not pass the class.</td>
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<td>Exam structure: 20 multiple choice questions, each worth 5 points.</td>
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<td>All the material that will be uploaded to moodle, as well as the text book are permitted to use.</td>
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<tr>
<td>Weight in the Final Grade</td>
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<td>A Calculator is required.</td>
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<td>30%</td>
<td>Final Group Project</td>
<td>In groups students that will be pre-assigned, you will need to analyze a market.</td>
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<td>The instructions will be posted on moodle shortly.</td>
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<td>Your group will get a product, and will need to provide analysis pre-instructed on moodle.</td>
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<td>Group assignment - you will have time until two weeks before the project to sign up as a group with your friends. For those who will be left without groups we will assign them please let us know ASAP if you need help to find group partners.</td>
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<td>More instructions about deadlines to follow.</td>
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Problem Set Submission: You will have weekly homework. You must independently submit at least 8 homework problem sets. There is no grade for the problem set, since it is inevitable to make mistakes in the learning process. You must though submit at least 8 problem set by the due date, no late submissions will be accepted.

For any missing problem set below the 8 problem set you will loose ~2 points. For example: if you submitted only 5 problem sets than you will lose 3*2=6 points from your final grade (since 3 problem sets are missing to satisfy the homework requirement).

Please try to solve all the problem sets since it is the only way to be prepared to the exam.

Lecturer Office Hours
Please sign up on the google drive form. Office Hours Sign Up Sheet

Tutor Office Hours
By Appointment with Avigayil Holder: avigayil.holder@post.idc.il

Teaching Assistant
Ira Friedman - iritfr@gmail.com
Please contact Ira in any question regarding problem sets submission.

Reading List
The course textbook is:
Mankiw, N. G. Principles of Microeconomics, 8th Edition. Cengage Learning,
Available in the library. Previous editions also are applicable.
You can purchase it from amazon or book depository or other websites, or from students from previous years.
In the library you will find also a link to Economix
https://www.amazon.com/Economix-Economy-Works-Doesnt-Pictures/dp/0810988399
It is a fun comic book about economics, I will assign few readings during the class.

Course Topics and Readings:

1. **Introduction**
   1. Principles of Economics – Mankiw, Chapter 1
   2. Thinking Like an Economist – Mankiw, Chapter 2
   3. *The reality of Markets* by Russel Roberts
   4. Watch the first 15 minutes of the conversation in *The Body Market*.

2. **The Gains from Trade**
   1. Principles of Economics – Mankiw, Chapter 3
   2. *Lyft Drivers Have a Profound Understanding of Opportunity Cost*.
   4. Economix, pages 37-39

3. **The Forces of Supply and Demand**
   1. Principles of Economics – Mankiw, Chapter 4
   2. **Demand**
      1. *The factors the impact demand for soft drinks*.
      2. *Coca-Cola Amatil suffers as soft drink sales fall for a decade in Australia*.
   3. **Supply**
      1. *The history of vanilla prices*. Answer the questions on this article and upload your answers to moodle.
      2. Here we will also read chapter 13 in Mankiw – cost of production
   4. **Equilibrium**
      1. *Dairy Farmers Experiencing An Organic Milk Surplus As Sales of Almond, Soy Milk Rise*
      2. Firms in competitive markets – Chapter 14

4. **Elasticity** – Chapter 5
   1. *Uber is experimenting with letting riders wait longer in exchange for cheaper fares*
   2. *Uber, Lyft and the Roadmap for reinventing the ride*

5. **Supply, Demand, and Government Policies** – Chapter 6
   1. [https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2908024/](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2908024/)
   2. [https://fee.org/articles/the-market-will-give-us-cleaner-energy-if-we-let-it/](https://fee.org/articles/the-market-will-give-us-cleaner-energy-if-we-let-it/)

6. **Consumers, Producers, and the Efficiency of Markets** – Chapter 7

7. **Application: The costs of Taxation** – Chapter 8

8. **Application: The Gains from Trade** – Chapter 9 (this topic will be taught only if time permits)

9. **Externalities** – Chapter 10

10. **Public Goods and Common Resources** – Chapter 11

11. **Monopoly** – Chapter 15 (this topic will be taught only if time permits)
Media articles for topics 6-10 will be uploaded to moodle and will be considered required readings.