Identification	Subject	**ECON 205 Microeconomics– 3KU/6ECTS credits**
	Department	Economics and Management
	Program	Undergraduate
	Term	Fall 2024
	Instructor	Vusal Mammadrzayev
	Email	vusal.mammadrzayev@khazar.org
	Classroom/hours	
	Office hours	By appointment
Prerequisites	**ECON 101** Introduction to Economics	
Language	English	
Compulsory/ Elective	Compulsory	
Textbooks and course materials	1. Hal R Varian, Intermediate Microeconomics, 10th edition, 2024 W. W Norton & Co Inc 2. N. Gregory Mankiw: Principles of Microeconomics, 9th edition, Cengage Publishers, 2021 3. Additional materials, articles, and book chapters will be provided by the instructor	
Course content	This is an introductory course in microeconomics, which provides insight into the economic way of thinking and covers fundamental economic concepts. Economics lies at the heart of the modern world and has a profound impact on our daily lives. In studying economics, you will have an opportunity to develop an understanding of increasingly important issues that take up a great portion of daily news and shape the world in which we live. Microeconomics focuses on the decisions made by individual consumers and firms and explains their behavior within markets. The course will start from the basic economic concepts of scarcity, trade-off, and opportunity cost, proceeding to the model of demand and supply, which forms the basis of the market mechanism. You will learn about the benefits of free markets, analyze the causes of market failure, and evaluate the role of governments in achieving better social outcomes.	
Course objective	This course will help students to develop strong analytical skills, sharpen their ability to think critically and deliver well-structured economic arguments. A theoretical framework developed within the course forms the basis of macroeconomic topics as well as higher-level courses in economics. The course will also examine various models of market structures and evaluate them from the perspective of important economic decision-makers.	

Learning Outcomes	- Establish knowledge and understanding of the basic microeconomic concepts and appreciate the consequences of economic decisions. - Apply the materials learned in the program to policy-relevant issues and be able to understand current events and assess the likely impact of specific policies put forth by various government entities. - Demonstrate ability to present and communicate well-structured economic arguments.		
Teaching methods	**Exercises/Assignments**		**x**
	Group discussion		**x**
	Lecture		**x**
Grading System	**Methods**	**Date/Deadlines**	**Percentage (%)**
	Midterm Exam	TBA	30
	Group Project	TBA	15
	Quizzes (3)	4th, 10th, 13th Week	15 (Each quiz is 5% of the final grade)
	Activity		5
	Final Exam	TBA	35
	Total		100
Policy	- **Quiz** Each Quiz will be worth 5% of the final grade. It is planned to be held in the fourth, tenth, and thirteenth week of the Semester. It is planned to be conducted during the lecture and will consist of Multiple-choice and open questions. Exam time will be 45 minutes. Further details about the quiz will be communicated by the Instructor. - **Group Project.** Students must submit their group projects by the end of the first week of November. This assignment will allow students to do small statistical analyses and apply techniques that were taught throughout lectures. The topic of assignment for each group will be assigned by the Instructor and Students will form groups consisting of 3 students in each. Students are required to provide 10-minute Presentations based on their assigned topics. The exact deadline for submission of the presentation will be announced during the lecture. Detailed feedback and further comments related to the structure and quality of the project will be provided by the Instructor after submission. This assignment gives an opportunity for students to conduct research independently and use the statistical tools and techniques acquired through Lectures and practical sessions. - **Attendance Policy** Students should come to the classes on time. Late arrival of more than 15 minutes will result in absence on the attendance sheet. In case of late arrival, the student must inform the Instructor in advance. **Important Note: If the student misses 25% of all classes during the**		

		semester, he or she will not be allowed to participate in the examination.	
		- **Class participation in this course:**	
		5% of the final grade will be given for class participation. It is required for students to contribute to the class discussion and actively participate in teamwork. The quality of contribution will be the main factor not the quantity of contribution.	
		Academic Dishonesty Students are expected to conduct themselves in a professional manner. Academic dishonesty such as plagiarism and cheating will not be tolerated. Therefore, students are expected to be honest and ethical in their academic work. Cases of academic dishonesty will be immediately reported to the Director's office for disciplinary action.	

		Tentative Schedule	
		Topics	**Textbook/Chapters**
1		**Introduction to the Course. The Market** - Overview of Course. - Constructing a Model - Optimization and Equilibrium - The Demand Curve and the Supply Curve - Market Equilibrium - Other Ways to Allocate Apartments	Chapter 1 (Varian)
2		**Budget Constraint.** - The Budget Constraint. - Properties of the Budget Set - How the Budget Line Changes. The Numeraire - Taxes, Subsidies, and Rationing	Chapter 2 (Varian)
3		**Preferences.** - Consumer Preferences. Assumptions about Preferences - Indifference Curves - Examples of Preferences - Perfect Substitutes. Perfect Complements - The Marginal Rate of Substitution	Chapter 3 (Varian)
4		**Utility**	Chapter 4 (Varian)

		- Cardinal Utility - Constructing a Utility Function. Some Examples of Utility Functions - Perfect Substitutes	
5		**Utility (cont.)** - Perfect Complements - Quasilinear Preferences - Cobb-Douglas Preferences - Marginal Utility - Marginal Utility - Utility for Commuting	Chapter 4 (Varian)
6		**Chocie** - Optimal Choice. Consumer Demand. Some Examples - Perfect Substitutes - Perfect Complements. Neutrals and Bads - Discrete Goods - Concave Preferences. Cobb-Douglas Preferences - Estimating Utility Functions	Chapter 5 (Varian)
7		**Demand** - Normal and Inferior Goods - Income Offer Curves and Engel Curves - Perfect Substitutes. Perfect Complements - Cobb-Douglas Preferences. Homothetic Preferences. Quasilinear Preferences - Ordinary Goods and Giffen Goods	Chapter 6 (Varian)
8		**Midterm Exam**	
9		**Revealed Preferences** - The Idea of Revealed Preference. From Revealed Preference to Preference - Recovering Preferences. The Weak Axiom of Revealed Preference. Checking WARP. - The Strong Axiom of Revealed Preference - Index Numbers and Price Indices	Chapter 7 (Varian)
10		**Slutsky Equation** - The Substitution Effect - Example: Calculating the Substitution Effect. The Income Effect - Example: Calculating the Income Effect - Sign of the Substitution Effect - The Total Change in Demand	Chapter 8 (Varian)

11		**Uncertainty** - Contingent Consumption - Some Examples of Utility Functions. Expected Utility - Risk Aversion	Chapter 12 (Varian)
12		**Consumer's Surplus** - Demand for a Discrete Good. Constructing Utility from Demand - Other Interpretations of Consumer's Surplus. From Consumer's Surplus to Consumers' Surplus - Approximating a Continuous Demand. Quasilinear Utility. - Interpreting the Change in Consumer's Surplus	Chapter 14 (Varian)
13		**Market Demand** - From Individual to Market Demand 270 The Inverse Demand Function - The Extensive and the Intensive Margin - Elasticity. Example: The Elasticity of a Linear Demand Curve Elasticity and Demand - Elasticity and Revenue	Chapter 15 (Varian)
14		**Equilibrium** - Supply. Market Equilibrium. Two Special Cases - Inverse Demand and Supply Curves. Example: Equilibrium with Linear Curves Comparative Statics - Example: Shifting Both Curves Taxes	Chapter 16 (Varian)
15		**Profit Maximization** - Profits. The Organization of Firms - Profits and Stock Market Value. The Boundaries of the Firm - Short-Run Profit Maximization - Profit Maximization in the Long Run	Chapter 19 (Varian)
16		**Final Exam**	