# International University of Japan
# Graduate School of International Relation

Academic Year:  2013      / 2014

Term:   Winter

| Course Code / Title | Microeconomics II | | |
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| Name of Instructor | ChingYang Lin | | Credit Number: 2 |
| Instructor's Contact Information | Office#:323 | Office Hours: Monday 1:00-2:00 | E-mail:Clin@iuj.ac.jp |
| Class Schedule Day(s)/Period(s) | | | |

**Course Description**

This course provides further training in the field of microeconomic theory to master students in the economics or international development program. The main contents of the course are the introduction to general equilibrium analysis, and game theory. The topics include basic models and their corresponding applications.

Learning Objectives:

The abstract theoretical models with their implications covered in the course help students appreciate and answer the questions existing in the real world. For instance,

1. How do firms decide on hiring workers and making an investment? How do households decide on the consumption level?

3. What are the factors affecting the market goods' prices and workers' wage? How do these factors affect the same?

4. Can the government intervene so as to make the situation more favorable (by imposing tax or transfers)? If so, how? If not, why?

5. Why are the mobile phone plans provided by Softbank, AU and Docomo pretty much similar? Why won't all these companies form a cartel to double the monthly service charge?

**Career Relevance**

Although the course focuses on theory, it provides the basic foundation for analysis in all economic fields. The students who will pursue a career in research (in the private sector) or related to providing policy suggestions (as a government official) would benefit from this course.

**Course Context or Rationalization**

This course is a core course for first year students in the international development program and economics program. The course contents provide necessary knowledge and analytical skills essential to other advanced theoretical and applied courses (such as international trade, public finance, and advanced macroeconomics).

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| Delivery Methods:<br>The course is, in general, lecture-based. However, students are encouraged to actively participate in the class discussions. This includes raising questions, responding to the lecturer's and other students' questions, and engaging in the discussion. | |

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| Assessment:<br>-The course grade is based on the students' performance on assignments ( 3-5 times,15%), quizzes (3-5 times, 10%), midterm exam (35%) and the final exam (40%).<br>-The purpose of the assignments and quizzes is mainly to help students review the materials. In addition, the instructor adjusts the speed and focus of the lectures based on the students' performance.<br>-The students are encouraged to work on the homework together, but each student is required to submit his/her own version.<br>-Dishonesty is not tolerated in this course. This includes cheating in the exam, plagiarizing, and copying another student's homework. Students who are found to be dishonest shall receive a final grade of "F." | |

| Prerequisite | This class uses intensive mathematics and statistics. Basic techniques and concepts of calculus are required (e.g. derivatives, integrals, matrices). The students may encounter lengthy mathematical derivations. However, the focus is on the few key steps in the derivation of results and, more importantly, the intuition behind them. |
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| Textbook(s) | Required: Microeconomic Theory: Basic Principles and Extensions, 11th Edition, Walter Nicholson and Christopher Snyder<br>Reference books/Journal Articles:<br>– Microeconomic Analysis, Hal R. Varian<br>– Intermediate Microeconomics: A Modern Approach, Hal R. Varian<br>– A Primer in Game Theory, Robert Gibbons |
| Class Outline | 1. General Equilibrium (5 weeks)<br>(a) Review of consumer theory<br>(b) Review of production theory<br>(c) Equilibrium in exchange<br>(d) Equilibrium in produciton<br>(e) Welfare analysis: first welfare theorem and second welfare theorem<br><br>2. Game theory (4 weeks)<br>(a) Basic concept, static game<br>(b) Nash equilibrium<br>(c) Sequential game and subgame perfect equilibrium<br>(d) Applications of game theory<br><br>3. Other topics on public economics. (1 week) |

| Others (if any) | |
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