COURSE TITLE: Microeconomics for the Global Economy

PROFESSOR: Dr. Nam Pham  
Department of International Business  
202-450-1368  
nampham@gwu.edu

COURSE DESCRIPTION: This course applies the tools of microeconomics to business decisions. The economics of supply and demand in product markets is at the core of the analysis. The course focuses on the theory of the firm (production and cost structure) and its competitive environment (perfect competition, monopoly, oligopoly, and monopolistic competition) and on consumer behavior. Elements of international microeconomics, such as gains from international trade, the effects of commercial policy, and multi-market price discrimination, provide particular applications for the material presented in this course.

LEARNING OBJECTIVES:  
1. Students will be able to identify the effects of supply and demand on market prices and quantities exchanged.  
2. Students will be able to characterize the cost structures of firms and assess the effects of firms’ decisions on their economic performance.  
3. Students will be able to analyze the type of competition in a market and design a corporate strategy for the firm.  
4. Students will be able to consider effects of international trade, commercial policies, and international market segmentation on market prices in different countries.

READINGS & MATERIALS: Perloff, Jeffrey M., Microeconomics, Theory and Applications with Calculus, Pearson Addison Wesley (any edition)

GRADING:  
Class Participation 10%  
Midterm 40%  
Final Exam 50%
OUTLINE OF TOPICS

1. **Introduction, Demand** (chapters 1, 2)
   - Introduction
   - Demand
   - Elasticities

2. **Supply, Equilibrium, Applications** (chapter 2)
   - Supply Function
   - Equilibrium
   - Comparative Statistics

3. **Theory of the Firm and Cost Structure** (chapter 6 and 7)
   - Production: One Variable and One Fixed Input; Two Variable Inputs
   - Short-Run Cost Curves: Average Total Cost, Ave. Variable Cost, Marginal Cost

4. **Competitive Firms and Markets** (chapters 8, 9, 5.1)
   - Competition in the Short Run and Long Run
   - Producer and Consumer Welfare
   - International Trade and Commercial Policies

**Midterm Exam**

5. **Monopoly** (chapter 11)
   - Monopoly Profit Maximization
   - Market Power

6. **Oligopoly and Game Theory** (chapter 13, chapter 14)
   - Cartels
   - Noncooperative Oligopoly: Cournot Model, Stackeberg Model, Bertrand Model
   - Overview of Game Theory

7. **Pricing, Special Topic** (chapter 12)
   - Price Discrimination
   - Multimarket Price Discrimination
   - Two-Part Tariffs
   - Special Topic

**Final Exam**