Course Description and Scope

The aim of this course is to provide a basic understanding of the theoretical foundations of microeconomics and macroeconomics at an intermediate level. In the first half of the course, students will learn microeconomic theories of (a) households making consumption, saving, and labour supply decisions, (b) firms making output supply as well as input demand decisions, and (c) public goods and externality. In the second half of the course, students will be equipped with models in understanding key macroeconomic phenomenon in the short run and medium run related to the goods, financial and labour markets. A growth model will be analyzed to understand the economy in the long run.

Proposed Lecture Schedule

<table>
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<tr>
<th>Week No.</th>
<th>Topics</th>
<th>Required Readings</th>
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| 1        | Lecture 1: Demand and Supply  
1.1 Thinking Like an Economist  
1.2 Demand  
1.3 Supply | Frank Chapters 1 & 2 |
| 2        | Lecture 2: The Theory of Consumer Behaviour (I)  
2.1 Rational Consumer Choice  
2.2 Individual and Market Demand | Frank Chapters 3 & 4 |
| 3        | Lecture 3: The Theory of Consumer Behaviour (II)  
3.1 Applications of Rational Choice and Demand Theories  
3.2 The Economics of Information  
3.3 Choices under Uncertainty | Frank Chapters 5 & 6 |
| 4        | Lecture 4: The Theory of the Firm  
4.1 Production  
4.2 Costs | Frank Chapters 9 & 10 |
| 5        | Lecture 5: Factor Markets  
5.1 Labour  
5.2 Capital | Frank Chapters 14 & 15 |
| 6        | Lecture 6: Externalities, Public Good and Welfare  
6.1 Externalities | Frank Chapters 16 & 17 |
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| 6       | 6.2 Property Rights and the Coase Theorem  
6.3 Government | |
| 7       | **Lecture 7: National Income Accounting**  
7.1 Production to Output and Payments to Factors of Production  
7.2 Components of Demand  
7.3 Measuring Gross Domestic Product  
7.4 Macroeconomics concepts | Dornbusch, Fischer and Startz, chapters 1 & 2 |
| 8       | RECESS | |
| 9       | **Lecture 8: Economic Growth**  
8.1 Growth and Accumulation  
8.2 Growth and Policy | Dornbusch, Fischer and Startz, chapters 3 & 4 |
| 10      | **Lecture 9: Aggregate Demand and Aggregate Supply**  
9.1 Aggregate Supply  
9.2 Aggregate Demand  
9.3 Wages, Prices and Unemployment | Dornbusch, Fischer and Startz, chapters 5 & 6 |
| 11      | **Lecture 10: Inflation and Unemployment**  
10.1 Inflation  
10.2 Unemployment  
10.3 The Anatomy of Inflation and Unemployment Quiz Format: 20 Multiple Choice Questions to be answered in 40 minutes during Tutorial 9 | Dornbusch, Fischer and Startz, chapters 7 & 8 |
| 12      | **Lecture 11: Spending, Money, Interest and Income**  
11.1 Income and Spending  
11.2 Money, Interest and Income | Dornbusch, Fischer and Startz, chapters 9 & 10 |
| 13      | **Lecture 12: Monetary and Fiscal Policy**  
12.1 Monetary Policy  
12.2 Fiscal Policy  
12.3 International Linkages | Dornbusch, Fischer and Startz, chapters 11 & 12 |

**Basic Text**


**Method of Instruction**

Lectures : 2 hours per week, commences in Week 1 and end in Week 13  
Tutorials : 1 hour per week, commences in Week 2 and end in Week 14
Course Assessment

Quiz (Lecture Week 10) : 20%
Participation : 10%
Final Examination : 70%

100%

Lecturer | Office Room No. | DID | E-mail Address
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