

ECONOMICS FOR PLANNERS I

Course Code:	1210231
METU Credit (Theoretical-Laboratory hours/week):	3
ECTS Credit:	5.0
Department:	City And Regional Planning
Language of Instruction:	English
Level of Study:	Undergraduate
Course Coordinator:	Assoc. Prof. Dr. Emine Yetişkul Şenbil
Offered Semester:	Fall

Course Objective

This is an introductory course that aims to provide students with fundamentals of microeconomics, study of the economic behavior of decision-makers, consumers and producers alike. The course develops a theoretical framework for microeconomic analysis and applications of microeconomic theory.

Course Content

This course covers the area of microeconomics which is concerned with the individual parts of the economy such as consumers, firms or industries, and individual products. The course begins with an introduction to demand, supply and their interactions in market economy. This is followed by an examination of the market system. Firstly, consumer choice is elaborated in different aspects. Then, firm behaviour, optimal production (cost minimization and profit maximization) under different market structures are studied. The final section of the course provides an introduction to general equilibrium analysis: how demand and supply conditions interact in different markets.

Weekly Program

Part 1: Introduction to Microeconomics

Week 1- History of Economic Systems and Schools of Economic Thought

Week 2- The Modern Economy and Economic Concepts I (Scarcity, Choice, Opportunity Cost, Efficiency, Equality,)

Week 3- Economic Concepts II (Production Possibilities, Specialization and Exchange, Comparative Advantage, Economic Growth)

Week 4- Demand Curves, Supply Curves and Price

Week 5- Equilibrium of Supply and Demand, Demand and Supply Curves for Apartments, Elasticity of Demand

Week 6- Elasticity of Supply and Government Policies (Controls on Prices, Rent Control, Taxes)

Part 2: The Market System

Week 7- The Consumer Choice I (Utility, Marginal Utility, Budget Constraint, Preferences, Indifference Curves)

Week 8- The Consumer Choice II (Income Effects, Substitution Effects, Deriving Demand Curves)

Week 9- Firm Behaviour I (Production, Marginal Product, Isoquant Curves, Isocost Lines)

Week 10- Firm Behaviour II (Costs of Production, Cost Curves, Costs in the Short-run and in the Long-run)

Part 3: Markets and Welfare

Week 11 - Competitive Markets (Profit Maximization, Revenue, Market Supply in Short-run and in Long-run)

Week 12 - Types of Market Structure, Monopoly, Competition versus Monopoly

Week 13- General Equilibrium Theory, Exchange, Production, Pareto Efficiency, Welfare

Week 14- Review - Discussion

Grading

Students who did not participate less than 30 percent of the classes will be graded NA.

40 % Mid-term Exam

60 % Final Exam

Learning Outcomes

By the end of the course, the students will be able to understand introductory microeconomic theory; consumer and firm behaviors, analyze different types of market structures. They will build understanding of important economic terms and concepts, interpretation and manipulation of economic graphs and evaluation of economic data. Besides, they will manage to solve basic microeconomic problems, and use quantitative techniques to analyze economic policies.

Reference Material

Karl E. Case, Ray C. Fair and Sharon M. Oster (2012). **Principles of Economics**, Pearson Education, Boston.

Mankiw N. Gregory and Taylor Mark P. (2011). **Economics**, Cengage Learning, Hampshire.

Varian R. Hal, (2010). **Intermediate Microeconomics, A Modern Approach**, W.W. Norton & Company, New York.