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## LESSON PLAN

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**Date/ Revision** August 10, 2015  
**Faculty** Business Administration  
**Approval** Dr. Samuel Prasetya/Dr. Tutuko Prajogo

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### SUBJECT : PRINCIPLES OF ECONOMICS 1 (MICRO ECONOMICS)

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#### 1. Identification of Subject:

Name of Subject : Principles of Economics 1 (Micro Economics)  
Code of Subject : ECON-1000  
SKS/ECTS : 2/3  
Semester : 1  
Study Program : B-MGT/B-IBA/B-INR/B-HTM/B-TAD  
Lecturers :

- Dr. Gita K. Indahsari, MSc,
- Dr. I Made Artika, and
- Mr. Primadi W. Surjosoemanto, MBA

#### 2. Competency

After having the course, students are expected to:

- Understand the principles of economics
- explain and relate the principles of economics with daily lives events
- explain the fundamental of economics
- differentiate among the factors affecting buyers and sellers decisions
- describe the purpose of the concepts with current issues
- describe the relationship between demand and supply in the market
- briefly explain various factors affecting consumers to purchase goods and services
- briefly explain various factors affecting producers decisions to produce goods and services
- explain the concept of market and types of markets
- explain the behavior of individuals in the market related to government's policies
- differentiate the differences between market structure types
- explain the behaviors on the micro and macro side and explain the differences.
- identify and explain as an aggregate the relationships between the country's economy, national output, unemployment, fiscal and monetary policies, related to other nations.

#### 3. Description of Subject:

The course introduces the basic concepts and principles of managerial economics concepts and issues, which affects the economy as a whole. Major emphasis is to provide tools for decision making managers of firms related to the country's economy, national output, inflation, unemployment, fiscal, monetary policies and world global view.

In this course the following major topics are covered:

- The factors affecting the consumers and producers decisions in the market
- The impact of government policies in the market
- The relationships between the country's economy policies related to the country's output, inflation rate, unemployment, fiscal and monetary policies, with other nations
- How international trade affects a country's economic decision

These topics through in-class presentations, group discussions, readings (from both text and on-line sources), exercises (both individual and group-based), and a variety of graded assignments and tests.

#### 4. Learning Approach

Approach	: Combination of Expository - inquiry and colaborative
Method	: Discussion, question answer, sample problem, group work
Student Task	: Home work, presentation
Media	: LCD projector, film.

#### 5. Evaluation

a) Absence maximum	: 25%
b) Participation in discussion	: 5 points
c) Homework, Classwork	: 5 points
d) Presentation	: 10 points
e) Daily Quiz	: 20 points
f) Midterm Examination	: 30 points
g) Final Examination	: 30 points
Total	: 100 points

#### 6. Book Reference:

a) **Main Text Book:** “Principles of Economics” - 2014, An Asian Edition. , Authors **N. Gregory Mankiw, Euston Quah and Peter Wilson**. Publisher: Delmar, Cengage Learning, ISBN-13: 978-981-4227-87-2.

b) **Supplement Textbooks:**

- “The Economy Today”, Author: Bradley R. Schiller, Cynthia Hill, Sherri Wall. Publisher: Longman; ISBN: 0073523216

#### 7. Detail of Lecturing Activity (LESSON PLAN):

WEEK	: 1
Duration	: 2 x 50 minutes
Topic	: Ten Principles of Economics

Sub-Topic : How People Makes Decisions  
 How People Interacts  
 How the Economy as a Whole Works

**Learning Outcomes of Lesson:**

1. **Main Competency.** The students are expected able to:
  - Explain how people make decisions
  - Determine the choices that they are faced with, and the cost of deciding
  - Understand how the economy works in general
  
2. **Supporting Competency.** The students are expected able to:
  - Understand the principles of economics, regarding scarcity, opportunity costs and incentives
  - Distinguish between outcomes related to the actions chosen

**DETAIL OF LECTURING ACTIVITY**

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>• Introduce the course objective, principles and objectives</li> <li>• Introduce the Textbooks Chap-1</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>• What is Economics</li> <li>• The concepts of economics</li> <li>• The concepts of relative scarcity</li> <li>• Understand why people faces choices and the cost to sacrifice</li> <li>• How the government actions can affect the market outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• Listening into the Lecturer</li> <li>• Read the Text Book</li> <li>• Surf the web</li> </ul>	Beamer/ LCD Black / White Board  Students Laptop,
Closing	<ul style="list-style-type: none"> <li>• Inform the student the next 2<sup>nd</sup> meeting material</li> <li>• give assessment / homework to the students</li> </ul>	<ul style="list-style-type: none"> <li>• Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>• evaluate the students activity during the lesson</li> <li>• evaluate and observe, how the students solve the problem</li> </ul>		
Reference	Text Book Chap- 1		

**WEEK** : 2  
**Duration** : 2 x 50 minutes

Topic : The Internet  
 Sub-Topic : Thinking Like an Economist

**Learning Outcomes of Lesson:**

1. **Main Competency.** The students are expected able to:
  - Describe uses of various role types of the economist
  - Briefly describe the differences between the roles
  - Distinguish between Microeconomics and Macroeconomics
  - Understand the Circular Flow Diagram
  - Understand the differences between Positive and Normative Analysis
  - The role of Economist in the Government
  
2. **Supporting Competency.** The students are expected able to:
  - Identify and briefly describe the roles in economics
  - Differentiate between Microeconomics and Macroeconomics
  - Relate the Circular Flow Diagram with the role of government related to the impact of policy making

**DETAIL OF LECTURING ACTIVITY**

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>• Introduce the Chapter 2 objectives;</li> <li>• Introduce the different roles in economics</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>• The Economist as Scientist</li> <li>• The Economist as Policy Advisor</li> <li>• Why Economist disagree</li> </ul>	<ul style="list-style-type: none"> <li>• Listening into the Lecturer</li> </ul>	Beamer/ LCD Black / White Board Students Laptop,
Closing	<ul style="list-style-type: none"> <li>• Inform the student the next 3<sup>rd</sup> meeting material</li> <li>• give assessment / homework to the students</li> </ul>	<ul style="list-style-type: none"> <li>• Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>• evaluate the students activity during the lesson</li> <li>• evaluate and observe, how the students solve the problem</li> <li>• Students need to prepare for the first Quiz in the next 3<sup>rd</sup> meeting</li> </ul>		

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Reference	Text Book : Chapter 2		

**WEEK** : 3 and 4  
 Duration : 2 x 2 x 50 minutes  
 Topic : Interdependence and the Gains from Trade  
 Sub-Topic : The Production Possibility Frontier  
 The Principles of Comparative Advantages  
 Application of Comparative Advantages

**Learning Outcomes of Lesson:**

- Main Competency.** The students are expected able to:
  - Describe the Production Possibility Frontier
  - Understand the relationship between the Production Possibility Frontier and Opportunity Cost
  - Understand the principles of Comparative Advantages
  - Understand how trade is related to Comparative Advantages
- Supporting Competency.** The students are expected able to:
  - Describe the Production Possibility Frontier and the concept of efficiency
  - Understand how opportunity cost is related with PPF
  - Economics factors influencing decision making of individual households, producers/firms, governments and other economic agents including the role of incentives
  - Understand between the economics and ethical decision making

**DETAIL OF LECTURING ACTIVITY**

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>Introduce the Chapter 3 objectives;</li> <li>Introduce the concepts of Production Possibility Frontier and Comparative Advantages</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>Concepts of the Production Possibility Frontier</li> <li>Case Studies on Production Possibility Frontier</li> </ul>	<ul style="list-style-type: none"> <li>Listening into the Lecturer</li> <li>Surf the internet</li> </ul>	Beamer/ LCD Black / White Board

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
	<ul style="list-style-type: none"> <li>Understand why Nations specialized in trades</li> </ul>		Students Laptop,
Closing	<ul style="list-style-type: none"> <li>Quiz on Chapter 1 and 2</li> <li>Inform the student the next 4<sup>th</sup> meeting material</li> <li>give assessment / homework to the students</li> </ul>	<ul style="list-style-type: none"> <li>Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>evaluate the students activity during the lesson</li> <li>evaluate and observe, how the students solve the problem</li> </ul>		
Reference	Text Book : Chapter 3		

**WEEK** : 5, 6  
 Duration : 2 x 2 x 50 minutes  
 Topic : The Market Forces of Supply and Demand, Government Policy  
 Sub-Topic : Demand  
                   Supply  
                   Demand and Supply together  
                   Government Policy Implications

**Learning Outcomes of Lesson:**

- Main Competency.** The students are expected able to:
  - Understand the concept and law of Demand and Supply
  - Identify the factors affecting Demand and Supply
  - Understand the market equilibrium with Demand and Supply
  - Understand the concept of Shortages and Surpluses
  - Understand the concepts of government policies and its impact on the economy
  - Understand and differentiate between Price Ceiling and Price Floor
- Supporting Competency.** The students are expected able to:
  - Identify the concept of Demand and Supply
  - Identify the differences between changes in demand and changes in Quantity demand
  - Identify the differences between changes in supply and changes in Quantity supply
  - Identify the role of relative prices, the price mechanism and resource allocations
  - Understand the concept of market failure
  - Understand the concept of government policy

- Apply the concept of Price Ceiling and Price Floor to the economy today

#### DETAIL OF LECTURING ACTIVITY

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>• Introduce the Chapter 4 objectives;</li> <li>• Introduce the Demand and Supply</li> <li>• Government Policies</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>• Explain the concept and Law of Demand and Supply</li> <li>• Factors affecting Demand and Supply</li> <li>• Case studies for Demand and Supply</li> <li>• Shortages and Surpluses</li> <li>• The Market Equilibrium</li> <li>• Explain what market failure is</li> <li>• Explain government policies</li> <li>• Relate the implications of government policies with the market condition</li> </ul>	<ul style="list-style-type: none"> <li>• Listening into the Lecturer</li> <li>• Read the Text Book</li> </ul>	Beamer/ LCD Black / White Board  Students Laptop,
Closing	<ul style="list-style-type: none"> <li>• Students preparation for the 2<sup>nd</sup> Quiz on the 5<sup>th</sup> meeting</li> <li>• Quiz 2 on Supply and Demand</li> <li>• Inform the student the next 6<sup>th</sup> meeting material</li> <li>• Paper assignment for the next 6<sup>th</sup> meeting due</li> </ul>	<ul style="list-style-type: none"> <li>• Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>• evaluate the students activity during the lesson</li> <li>• evaluate and observe, how the students solve the problem</li> </ul>		
Reference	Text Book : Chapter 4 and 6		

**WEEK** : 7  
**Duration** : 2 x 50 minutes  
**Topic** : Elasticity and Its Application  
**Sub-Topic** : The Elasticity of Demand  
                   The Elasticity of Supply  
                   The Application of Supply, Demand and Elasticity

### Learning Outcomes of Lesson:

- 1. Main Competency.** The students are expected able to:
  - Define the term of elasticity
  - Understand the concept of elasticity and how it is related to consumer's and producer's decision making
  - Understand how Total Revenue is related to elasticity
- 3. Supporting Competency.** The students are expected able to:
  - Identify the factors affecting elasticity of demand and elasticity of supply
  - Understand how decision making can affect total revenue based on consumer's elasticity of demand
  - How producers should make decision related to the elasticity of supply

### DETAIL OF LECTURING ACTIVITY

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"><li>• Introduce the Chapter 5 objectives;</li></ul>		Lecturing
Delivery	<ul style="list-style-type: none"><li>• Explain the concept of elasticity demand and supply</li><li>• Explain how elasticity is related with total revenue</li><li>• Case studies and problem solving for elasticity</li></ul>	<ul style="list-style-type: none"><li>• Listening into the Lecturer</li><li>• Read the Text Book</li></ul>	Beamer/ LCD Black / White Board Students Laptop,
Closing	<ul style="list-style-type: none"><li>• Inform the student the next 7<sup>th</sup> meeting material</li><li>• give assessment / homework to the students</li><li>• Preparation for Quiz in the 7<sup>th</sup> week</li></ul>	<ul style="list-style-type: none"><li>• Listening to the lecturer</li></ul>	Lecturing
Evaluation	<ul style="list-style-type: none"><li>• evaluate the students activity during the lesson</li><li>• evaluate and observe, how the students solve the problem</li></ul>		
Reference	Text Book : Chapter 5		

**WEEK** : 8  
**Duration** : 2 x 50 minutes  
**Topic** : Review & Group Presentation



Sub-Topic : Topics from week 1 until week 7

**WEEK : 9**

Duration : 2 x 50 minutes

Topic : Firms Behavior and the Organization of the Industry

Sub-Topic : The Concept of Production  
The Concept of Costs of Production  
Various Measures of Costs  
Costs in the Short Run and Long Run

### Learning Outcomes of Lesson:

- 1. Main Competency.** The students are expected able to:
  - Describe the various types of costs
  - Understand between different types of costs in the short run and long run
- 2. Supporting Competency.** The students are expected able to:
  - Understand the concept of production
  - Understand the concept of Diminishing Return
  - Relate production and cost concepts

### DETAIL OF LECTURING ACTIVITY

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"><li>• Introduce the Chapter 13 objectives;</li><li>• Introduce the concept of production and costs</li></ul>		Lecturing
Delivery	<ul style="list-style-type: none"><li>• Explain the concept of Production</li><li>• Explain the concept of Diminishing Return</li><li>• Explain the different types of Costs</li><li>• Relate production and costs</li><li>• Application of production and costs in the short run and long run</li><li>• Decision making related to</li></ul>	<ul style="list-style-type: none"><li>• Listening into the Lecturer</li><li>• Read the Text Book</li></ul>	Beamer/ LCD Black / White Board  Students Laptop,
Closing	<ul style="list-style-type: none"><li>• Inform the student the next 10<sup>th</sup> meeting material</li><li>• give assessment / homework</li></ul>	<ul style="list-style-type: none"><li>• Listening to the lecturer</li></ul>	Lecturing

	to the students		
Evaluation	<ul style="list-style-type: none"> <li>• evaluate the students activity during the lesson</li> <li>• evaluate and observe, how the students solve the problem</li> </ul>		
Reference	Text Book : Chapter 13		

**WEEK** : 10 ,11, 12

Duration : 2 x 2 x 2 x 50 minutes

Topic : Imperfect Markets

Sub-Topic : Different Types of Market Structure

How companies behave in different market structure

How government policies affect the outcomes in different market structures

### Learning Outcomes of Lesson:

1. **Main Competency.** The students are expected able to:

- Differentiate between types of market structures
- Understand the concept of different market structures
- Understand the impact of imperfect market outcomes

2. **Supporting Competency.** The students are expected able to:

- Understand different market structure characteristics
- Determine the price and output decisions from companies in different market structures
- Understand the concept of price discrimination
- Comparing behaviors of companies in different market structures

### DETAIL OF LECTURING ACTIVITY

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>• Introduce the Chapter 14, 15, 16 and 17 objectives;</li> <li>• Introduce the concepts of imperfect market structures</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>• What are different market structure types</li> <li>• Case studies of different market structures and how companies behave</li> </ul>	<ul style="list-style-type: none"> <li>• Listening into the Lecturer</li> <li>• Read the Text Book</li> </ul>	Beamer/ LCD Black / White Board  Students

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
	<ul style="list-style-type: none"> <li>The impact of imperfect market in the society</li> <li>Differentiate the differences between market structures</li> </ul>		Laptop,
Closing	<ul style="list-style-type: none"> <li>Inform the student the next 13<sup>th</sup> meeting group presentation</li> <li>give assessment / homework to the students</li> </ul>	<ul style="list-style-type: none"> <li>Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>evaluate the students activity during the lesson</li> <li>evaluate and observe, how the students solve the problem</li> </ul>		
Reference	Text Book : Chapter 14, 15, 16 and 17		

**WEEK** : 13  
 Duration : 2 x 50 minutes  
 Topic : Group Presentation  
 Sub-Topic : Group Presentation

#### Learning Outcomes of Lesson:

- Main Competency.** The students are expected able to:
  - Define different market structure types
  - Determine an example for a certain market type
  - Explain how the company behaves in the certain market type
- Supporting Competency.** The students are expected able to:
  - Observe and analyze the strategy to compete and survive for a company in a certain market structure

#### DETAIL OF LECTURING ACTIVITY

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>Group Presentation</li> </ul>		Lecturing

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Delivery	<ul style="list-style-type: none"> <li>Group Presentation</li> </ul>	<ul style="list-style-type: none"> <li>Listening into the each group presenting</li> </ul>	Beamer/ LCD Black / White Board Students Laptop,
Closing	<ul style="list-style-type: none"> <li>Inform the student the next 14<sup>th</sup> meeting material</li> <li>Review materials for the next Quiz</li> </ul>	<ul style="list-style-type: none"> <li>Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>evaluate the students activity during the presentation</li> <li>evaluate how students present and discuss</li> </ul>		
Reference	Text Book : Chapter 14,15,16,17		

**WEEK** : 14  
 Duration : 2 x 50 minutes  
 Topic : Quiz on Imperfect Market Structure  
 Sub-Topic : Quiz on market structures

#### Learning Outcomes of Lesson:

- Main Competency.** The students are expected able to:
  - Define the differences of market structures
  - Being able to understand the concept of how companies behave in different market structures
- Supporting Competency.** The students are expected able to:
  - Explain and analyze how companies can compete and survive in different market structures

#### DETAIL OF LECTURING ACTIVITY

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>Final Quiz</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>Final Quiz on Types of Market Structure</li> </ul>	<ul style="list-style-type: none"> <li>Quiz</li> </ul>	Beamer/ LCD Black /

<b>Phase</b>	<b>TOPIC: Lecturer / Facilitator Activity</b>	<b>Students activity</b>	<b>Method / Lecturing Tools / Remarks</b>
			White Board
Closing	<ul style="list-style-type: none"> <li>Inform the student the next final exam materials and topics.</li> </ul>	<ul style="list-style-type: none"> <li>Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>evaluate the students activity during the Quiz</li> </ul>		
Reference	Text Book : Chapter 14, 15, 16 and 17		