

# Introduction

by *Monica Bonacina and Patrice De Micco*

This workbook is designed as a support material to standard Microeconomics textbooks and, like earlier editions, it aims to help students and teachers translate theory into practice through stylized examples of real-life situations.

The questions and exercises in the workbook cover the topics discussed in standard Microeconomics courses and range from individual decisions (i.e. optimal choices by consumers) to equilibrium in both perfectly and imperfectly competitive markets, going through matters like elasticity, monopoly, game theory, oligopolistic competition, information asymmetries, choice under uncertainty and externalities. Since these topics are not always covered in the same chronological order and, sometimes, are approached in more than one course, each is discussed in a specific, free-standing chapter.

This workbook is the result of over 15 years of teaching experience. We have firsthand experience and know how hard it can be, on the one side, for a teacher to convey all the implications of microeconomic concepts during lectures – hence in a limited time frame – and, on the other side, for a student to properly understand all the implications of what is learned in the classroom. Hence, the ultimate goal of this workbook is to support the teacher and help the student translate theory into practice. In our opinion, the workbook can easily serve as a complement of any basic Microeconomics textbook, both because it facilitates the assimilation of concepts that would otherwise remain purely theoretical and since it improves the study of the discipline.

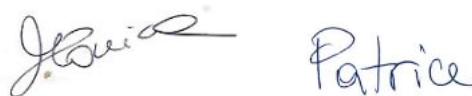
Each topic – from consumer theory to externalities – is examined in two sections: a qualitative and a (more) quantitative one. The answers do not only provide the right explanation to the issues but seek, as far as possible, to briefly recall the underlying theory so to develop students' confidence in the solution method. These theoretical recalls are sometimes provided in the footnotes, which have to be considered an essential part of the explanation.

The “True, false or uncertain” questions call upon the student to reflect on the implications and meaning of the theory learned in the classroom. Actually, students may provide alternative (but equally appealing) explanations to our questions. This section stimulates intuitive thinking, logical reasoning, and written communication skills. Suggested answers are meant for guidance purposes and may not (or rather, may not always) stress the only possible theoretical framework supporting a right solution. Our intent is to illustrate a micro-founded argument for answering, leaving students the task of formulating alternative explanations based on the theory learnt.

The questions marked as “Exercises” feature stylised real-life situations through which students can computationally check the accuracy of the economic insights. Therefore, students must always have a clear idea of what to expect from a certain situation before solving an exercise. If you expect that consumers react to a rise in the price for sugar by reducing the amount of sugar purchased, then the numbers must support your expectation. This is it. Actually, mathematical tools are means by which economists can prove their expectations.

The paper material is supported by additional questions available online. All additional content can be found at <https://mybook.egeaonline.it>.

Great job, everyone!

The image shows two handwritten signatures in blue ink. The signature on the left is stylized and appears to be 'J. L.' followed by a flourish. The signature on the right is written in a more straightforward, cursive style and reads 'Patrice'.