

Microeconomics

Ultimate

Review Packet

Created by Jacob Clifford

Thank you for supporting my YouTube channel by purchasing this resource. This is not designed to replace your teacher, professor, or textbook, but I guarantee that practicing with this resource will improve your understanding of economics.

-IMPORTANT -

There is no one giant PDF. The packet has been broken up into smaller PDFs in each unit to make it easier to print what you need. The "packet" I am holding in my videos includes the study guides, practice sheets, and practice exams, but, to save ink, you probably don't want to print all of those out.

As you go through each unit, make sure to pause the videos often and fill out the blank unit study guides and answer the practice questions for each unit. The answers to the study guide questions are included in this packet but are not downloadable.

As a personal favor to me, please do not post this online or give it away to your friends. Again, thank you so much for your support. Good luck!

NOTE TO TEACHERS

Do not use/distribute any of these resources or show these videos in class unless you have purchased a license.

([Click HERE](#) for more information)

Microeconomics Course Breakdown

Unit 1: Basic Economic Concepts

Topic 1.1- Scarcity

- Scarcity
- Microeconomics vs. Macroeconomics
- Opportunity Cost and Trade-offs
- Four Factors of Production

Topic 1.2- Resource Allocation and Economic Systems

- Three Economic Questions
- Command, Market and Mixed Economies

Topic 1.3- Production Possibilities Curve

- Efficiency and Opportunity Cost
- Law of Increasing Opportunity Costs
- Shifters of the PPC
- Capital Goods and Future Growth

Topic 1.4- Comparative Advantage and Trade

- Absolute Advantage
- Comparative Advantage
- Terms of Trade

Topic 1.5- Cost-Benefit Analysis

- Explicit and Implicit Costs
- Total Utility and Marginal Utility

Topic 1.6- Marginal Analysis and Consumer Choice

- Law of Diminishing Marginal Utility
- Sunk Costs
- Utility Maximizing Rule

Unit 2: Supply and Demand

Topic 2.1- Demand

- Property Rights and Incentives
- Law of Demand
- Substitution Effect and Income Effect
- Quantity Demanded v. Demand
- Shifters (Determinants) of Demand

Topic 2.2- Supply

- Law of Supply
- Quantity Supplied v. Supply
- Shifters (Determinants) of Supply

Topic 2.3- Price Elasticity of Demand

- Shifters (Determinants) of Supply
- Elastic, Inelastic, and Unit Elastic
- The Total Revenue Test

Topic 2.4- Price Elasticity of Supply

- Elastic, Inelastic, and Unit Elastic

Topic 2.5- Other Elasticities

- Income Elasticity of Demand
- Cross-Price Elasticity of Demand

Topic 2.6- Market Equilibrium and Consumer and Producer Surplus

- Price System and Resource Allocation
- Consumer and Producer Surplus
- Total Surplus

Topic 2.7- Market Disequilibrium and Changes in Equilibrium

- Shortage and Surplus

Topic 2.8- The Effects of Government Intervention

- Price Controls: Floors and Ceilings
- Deadweight Loss
- Taxes and Subsidies
- Incidence of Taxes

Topic 2.9- International Trade and Public Policy

- Autarky v. Trade
- Tariffs and Quotas

Unit 3: Production, Cost, and the Perfect Competition Model

Topic 3.1- The Production Function

- Law of Diminishing Marginal Returns
- Total, Marginal, and Average Product

Topic 3.2- Short-Run Production Costs

- Total, Variable, and Fixed Costs
- Per-Unit Costs (ATC, AVC, AFC, and MC)
- Cost Curves

Topic 3.3- Long-Run Production Cost

- Increasing, Decreasing, and Constant Returns to Scale
- Economies, Diseconomies, and Constant Returns to Scale (Efficient Scale)

Topic 3.4- Types of Profit

- Economic Profit v. Accounting Profit
- Normal Profit

Topic 3.5- Profit Maximization

- Profit Maximizing Rule ($MR=MC$)

Topic 3.6- Firms' Short-Run Decisions to Produce and Long-Run Decisions To Enter or Exit a Market

- Economic Loss
- Shutdown Rule

Topic 3.7- Perfect Competition

- Barriers to Entry and Market Power
- Price Takers
- Allocative and Productive Efficiency
- Constant, Increasing, and Decreasing Cost Industries

Unit 4: Imperfect Competition

Topic 4.1- Introduction to Imperfectly Competitive Markets

- Monopoly, Oligopoly, Monopolistic Competition
- Price Makers
- Marginal Revenue Less Than Demand
- Elastic and Inelastic Range of Demand

Topic 4.2- Monopoly

- Natural Monopoly
- Inefficiency

Microeconomics Course Breakdown

[Topic 4.3- Price Discrimination](#)

- Conditions and Effects of Price Discrimination

[Topic 4.4- Monopolistic Competition](#)

- Non-price Competition
- Differentiated Products

[Topic 4.5- Oligopoly and Game Theory](#)

- Interdependence
- Collusion and Cartels
- Dominant Strategy and Nash Equilibrium

Unit 5: Factor Markets

[Topic 5.1- Introduction to Factor Markets](#)

- Factors of Production and Factor Payments
- Supply and Demand for Labor

[Topic 5.2- Changes in Factor Demand and Factor Supply](#)

- Factors of Production and Factor Payments
- Supply and Demand for Labor
- Derived Demand and Productivity
- Shifters (Determinants) of Demand and Supply

[Topic 5.3- Profit-Maximizing Behavior in Perfectly Competitive Factor Markets](#)

- Marginal Revenue Product
- Marginal Factor (Resource) Cost
- Profit Maximizing Rule ($MRP=MFC$)
- Least-Cost Rule

[Topic 5.4 Monopsonistic Markets](#)

- Monopsony
- MFC Greater than Supply

Unit 6: Market Failure and the Role of the Government

[Topic 6.1- Socially Efficient and Inefficient Market Outcomes](#)

- Market Failures
- Private Marginal Benefits and Costs
- Social Marginal Benefits and Costs
- Socially Optimal Output

[Topic 6.2- Externalities](#)

- External Benefits and Costs
- Positive and Negative Externalities
- Public Policies to Achieve Efficiently

[Topic 6.3- Public and Private Goods](#)

- Non-Rivalry and Non-Exclusion
- Free Rider Problem

[Topic 6.4- The Effects of Government Intervention in Different Market Structures](#)

- Per-unit Taxes and Subsidies
- Lump-sum Taxes and Subsidies
- Regulation
- Antitrust Policies

[Topic 6.5- Inequality](#)

- Lorenz Curve and Gini Coefficient
- Progressive and Regressive Tax Structures

Essential Graphs

1. Production Possibilities Curve
2. Demand and Supply
3. Demand and Supply: Price Controls
4. Demand and Supply: Excise Tax
5. Demand and Supply: Trade and Tariffs
6. Perfect Competition Product Market and Firm
7. Monopoly
8. Price Discriminating Monopoly
9. Monopolistic Competition in Long-Run
10. Game Theory Matrix
11. Perfect Competition Product Market and Firm
12. Monopsony
13. Negative Externality
14. Positive Externality
15. Lorenz Curve

Key Skills (Overview)

1. Identify comparative advantage and terms of trade
2. Calculate and maximize utility
3. Differentiate between a change in demand and a change in quantity demanded.
4. Calculate elasticity coefficients
5. Use supply and demand to show the results of ceilings, floors, taxes, quotas, and trade
6. Identify and calculate consumer and producer surplus and deadweight loss
7. Apply profit maximizing rule for production
8. Calculate total revenue, total cost and per-unit costs
9. Identify shut down point and short run supply curve
10. Identify elastic/inelastic range of monopoly demand
11. Identify dominant strategies and Nash equilibrium
12. Calculate marginal revenue product and marginal factor cost
13. Apply profit maximizing rule for hiring workers
14. Explain solutions to externalities
15. Compare per unit and lump sum taxes/subsidies