

## GUÍA DOCENTE

### 1. COURSE DESCRIPTION

<b>Degree:</b>	<b>Administración y Dirección de Empresas</b> (English teaching)
<b>Double Degree:</b>	<b>Derecho y Administración y Dirección de Empresas</b> (English teaching)
<b>Course:</b>	<b>MICROECONOMICS</b> (Microeconomía - English teaching)
<b>Module:</b>	<b>Basic Training in Business and Economic Sciences</b>
<b>Department:</b>	<b>Economics, Quantitative Methods and Economic History</b>
<b>Term:</b>	<b>Second term</b>
<b>Total Credits:</b>	<b>6</b>
<b>Year:</b>	<b>1<sup>st</sup></b>
<b>Type of Course:</b>	<b>Basic</b>
<b>Course Language:</b>	<b>English</b>

<b>Teaching model:</b>	<b>A1</b>	
<b>a. General/background:</b>		<b>70%</b>
<b>b. Theory-into-practice/developmental knowledge-building</b>		<b>30%</b>
<b>c. Guided Academic Activities:</b>		



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### 2. COURSE COORDINATOR

**Course coordinator: Juan D. Moreno Ternero**

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### 3. ACADEMIC CONTEXT

#### 3.1. Course Description and Objectives

Economics is a social science which, as well as having a large theoretic and conceptual content, also has practical relevance, as it can be applied to existing difficulties. The basic objective of this subject is to provide students with a global vision of the way in which economic markets work. For this we will take an approach based on a study of consumer and producer behaviour.

This subject will enable students to advance in the analysis of Consumer and Production theory, competitive equilibrium, non-competitive markets.

Students are expected to acquire basic theoretic knowledge of market function; to develop intellectual as well as practical problem-solving skills and to encourage positive attitudes, values and habits which will benefit the development of their career

#### 3.2. Contribution to the Training Plan

Students will learn basic elements of microeconomic analysis. The course will provide them with the ability to analyse business behaviour as well as the surroundings within which they operate. In particular, students will gain the knowledge to be able to analyse and respond to a diverse range of difficulties which businesses are faced with. The understanding of microeconomic concepts is fundamental in decision making processes, the elaboration of economic policies and the application of knowledge of how modern economics works.

There are two main objectives: to offer a complete vision of market economics and the role of prices in different markets as a means of social organisation and to familiarise students with microeconomic analysis as well as the analytic tools used for this.

Students will be provided with versatile theoretic and practical knowledge which will enable them to effectively develop their career.

#### 3.3. Recommendations or Prerequisites

In order to take part in this subject, students must have previously completed a course in introduction to economics which will have provided them with the knowledge of basic concepts which will be studied in more depth in this subject. Additionally, basic mathematical knowledge is required as this subject will be based on analytic development of microeconomic models.

Microeconomics is based on mathematic reasoning and the mathematical language will without doubt make the analysis more difficult. Students must therefore have adequate previous knowledge of mathematics. They must be familiarised with optimization



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methods, representation of functions and graphic analysis.

It would also be useful to be aware of the economic concepts which will be studied. For this, it would be useful to read a general newspaper every day. Students do not have to memorise the theory and the analytic tools used for problem-solving. On the contrary, students are expected to understand theoretic concepts and be able to apply them adequately in order to solve existing economic problems within a business.

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### 4. SKILLS

#### 4.1. Degree Skills Developed during this Course

The following are skills which will be obtained through this course. Many of these are not exclusive to this subject and will also be acquired in other subjects.

Systemic:

- Awareness of surroundings and social issues
- Self-study skills
- Creativity
- Initiative and entrepreneurship
- Motivation for quality

Personal:

- Ability to criticise and self-criticise
- Ethical commitment
- Ability to work under pressure

Instrumental:

- Ability to analyse and synthesise
- Oral and written communication in Spanish and English
- Ability to analyse and look for information from different sources
- Problem-solving skills
- Decision-making skills

#### 4.2. Module Skills Developed during this Course

To know and be able to apply basic economic concepts.

#### 4.3. Course-specific Skills

To know and apply basic knowledge of Microeconomics:

- Understanding of the role of economic agents (consumers and businesses) and of the function mechanisms of the market.
- Understanding of the basics of consumer theory in order to evaluate their behaviour regarding the alternatives which are offered by the market.
- Understanding of economic institutions as a result of theoretic or formal representations on how the economy works.
- To analyse market theory in the allocation of resources and determining prices.
- To analyse the way in which businesses with lots of competition maximise their benefits.
- To form microeconomic examples which help the strategic process and decision-making.

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### 5. COURSE CONTENT (COURSE TOPICS)

1. Consumer theory
  - 1.1 Consumer preferences and the concept of utility
  - 1.2 Consumer decision and Individual demand
2. Production and Costs
3. Profit maximization and competitive markets
  - 3.1 Firm and market supply curve in the short run
  - 3.2 Long run equilibrium
  - 3.3 The efficiency of competitive markets
4. Monopoly
  - 4.1 Monopoly power
  - 4.2 Social costs of the monopoly
  - 4.3 Price setting under monopoly power
5. Game theory and its applications
  - 5.1 Game theory and Nash equilibrium
  - 5.2 Applications: Oligopoly



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### 6. METHODOLOGY AND RESOURCES

The course will be structured as a combination of theoretical and problem-solving lectures. In the latter we will correct problem sets that will be made available to students sufficiently in advance of the corresponding lecture. The problem sets will give you practice working with the concepts introduced in the class and also to prepare you for the exams. Students' active involvement in solving the problem sets is strongly encouraged and will be taken into account in the final grading.

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### 7. ASSESSMENT

Grades will be weighted in the following way:

- GT (70%): the evaluation will consist of a final exam. It will include both theoretical and practical exercises.
- PT (30%): the evaluation will consist of a number of in-class activities throughout the course.

Finally, the grade corresponding to the activities developed during the course (30%) will be preserved for the resit exam (July). The remaining (70%) will be evaluated in the final exam.

Those students that are fellow of any of the official student mobility programs (Sócrates-Erasmus, SICUE-Séneca, Atlanticus...) who are enrolled in the subject outside their mobility contracts can make up for the percentage assigned to continuous evaluation in the final grade by an extra evaluation in the final exam. The students must notify (in written form) the teacher by April 30th. Any failure to inform the teacher in the given date can only be waived if it comes supported by the Academic Coordinator of the student's mobility contract.





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### 8. BIBLIOGRAPHY

ISBN	TITLE	EDITOR	YEAR
978-1107623767	Intermediate Microeconomics with Calculus	CUP	2012
978-0132080231	Microeconomics (7th Ed.)	Prentice Hall	2008
978-0393934243	Intermediate Microeconomics (8th Ed.)	W.W. Norton	2009