

30604 - Microeconomics I

Syllabus Information

Academic Year: 2019/20

Subject: 30604 - Microeconomics I

Faculty / School: 109 - Facultad de Economía y Empresa

Degree: 432 - Joint Law - Business Administration and Management Programme

ECTS: 6.0

Year: 1

Semester: Second semester

Subject Type: Basic Education

Module: ---

1.General information

1.1.Aims of the course

The subject and its expected results respond to the following approaches and objectives:

Microeconomics I, together with Microeconomics II, offer a global vision of the basic knowledge of microeconomic theory that every graduate should have acquired.

Microeconomics I begins with a description of the market and the interactions between supply and demand. Then, both sides of the market are individually studied in detail. Thus, the behaviors of the consumer and the producer are analyzed, leading to the definition of the demand function and the supply function, respectively.

The tools and techniques used in the analysis will be verbal reasoning, visual representations and mathematical analysis.

1.2.Context and importance of this course in the degree

The subject belongs to the module "Fundamentals of Economic Analysis and Instruments" and to the subject "Economic Theory".

Microeconomics I is part of a full course of intermediate microeconomics. In consequence, its contents are fundamental for the student, providing the necessary elements to study basic economic institutions from the perspective of economic analysis. The course belongs to the module "Fundamentals of Economic Analysis and Instruments" and to the field "Economic Theory".

1.3.Recommendations to take this course

In order to have an optimum understanding of the course, a previous basic knowledge of Economics and Mathematics is recommended.

2.Learning goals

2.1.Competences

After completing the course, the student will be competent in the following skills:

To evaluate the situation and the previous evolution of companies and organizations, and to be able to acquire the relevant knowledge for taking informed decisions successfully.

To produce assessments of particular market situations, sectors, organizations, companies and their functional areas

To understand and apply professional criteria and scientific standards to the solution of economic, business and organizational problems.

To be able to solve problems.

To be able to analyse and synthesize.

To be able to apply knowledge in practice.

2.2.Learning goals

The student, in order to pass the course, will have to show her/his competence in the following skills:

Show adequate understanding of the methodology in Economic Analysis as well as its aims and scope, identifying its main components: economic agents, models, variables and data.

Correctly use the basic terminology of an economist in describing topics in the field of Microeconomics

Correctly describe and interpret any decision problem of an economic agent, consumer or producer, using verbal reasoning, graphic representations and mathematical analysis (calculus and basic algebra).

Model formally any non-dynamic decision problem of an individual economic agent as a conditional optimization problem, identifying the relevant endogenous and exogenous variables, obtaining a quantitative solution (behaviour equations), and explaining how the solution could change when the economic environment changes (comparative statics).

Reasonably predict the result and determinants of the interaction of numerous economic agents in competitive markets in the short-term, and to describe the resulting equilibria and disequilibria with adequate verbal, graphical and mathematical tools

Carry out normative analysis and economic policy recommendations

Learn autonomously and produce written reports according to the established guidelines.

2.3.Importance of learning goals

1. Allow the student to design and resolve economic problems according to the appropriate economic methods.
2. Provide the necessary analytical tools to understand economic reality accurately and rigorously.

3.Assessment (1st and 2nd call)

3.1.Assessment tasks (description of tasks, marking system and assessment criteria)

3.1. Type of tests, evaluation criteria and levels of demand

The evaluation will consist of verifying that the student:

- ? Knows and understands the concepts contained in the subject.
- ? Apply the techniques of Economic Analysis correctly.
- ? Select the relevant information and interpret it appropriately.
- ? Expresses your reasoning in a clear and orderly manner.

The evaluation tests will be the following:

? **Partial examination:** Convened with sufficient advance, the contents evaluated will be of the first four topics of the program and will consist of theoretical, theoretical-practical and practical questions. It will be voluntary and will allow the

student who approves it, free the subject of these four subjects in the final exam and average the grade with the one of said exam. It will be evaluated on 10 points and to pass you must obtain at least 5 points. The partial exam note will be valid for the two calls corresponding to the enrollment in the subject.

? **Final exam:** will be held on the date officially approved by the center. There will be two examination alternatives depending on the subject to be evaluated:

1. From topics 5, 6 and 7, for students who have passed the partial exam and wish to opt for this alternative.
2. Of all the themes of the program. For students who have not done the partial exam, who have not approved it or who have approved it, but choose this option.

The final exam, in both alternatives, will consist of theoretical, theoretical-practical and practical questions and will be evaluated on 10 points. Students who follow the path of alternative 1 will be averaged the grade of this exam, provided that the grade obtained is equal or superior to 3.5 points, with the grade obtained in the partial exam.

In order to qualify for the evaluation of partial exam and final exam of topics 5, 6 and 7 it is mandatory to participate actively and must have delivered at least 75% of the proposed works, solve the issues, exercises and tests that will be carried out in the face-to-face classes.

The provisions of the Regulation of Learning Assessment Standards of the University of Zaragoza (Governing Council, Agreement of December 23, 2010) will be applied to fifth and sixth year students.

Level of requirement: In all the tests the student must prove that his understanding of the subject has given him the appropriate level for the resolution of the microeconomic problems raised, both in theoretical and practical terms.

4.Methodology, learning tasks, syllabus and resources

4.1.Methodological overview

The learning process that has been designed for this course is based on the following activities:

Participative lectures. The professor will explain the basic course content. The student must supplement the explanations with the recommended reading.

Practical classes. Students will solve practice exercises, always under the supervision of the professor. This will be done in smaller groups to facilitate the participation of each student.

4.2.Learning tasks

The programme offered to the students to help them achieve the learning results includes the following activities :

Theory classes:

Credits 1.2.

Methodology: Class attendance and participative problem-solving.

Practical classes:

Credits: 1.2

Methodology: Class attendance, problem-solving and case studies.

Tutorials and seminars:

Credits: 0.6

Methodology: Tutorial and complementary activities

Personal work:

Credits: 3

Methodology: Solution of exercises. Use of ITCs. Preparation of assignments and exams.

Table of contents

PartI:Introduction

Unit 1. Concept and scope of the Economy

1.1. Economics as a social science

1.2. Method in economic science

1.3. Topics in Microeconomics

1.4. Organization of economic activity

Unit 2. Demand, supply and market mechanics

2.1. Market demand

2.2. Market supply

2.3. Equilibrium in the competitive market

2.4. Elasticities of demand and supply

PartII:Theory of Consumption

Unit 3. Preferences, utility and budget constraint

3.1. The budget set and preferences

3.2. The utility function

3.3. The marginal rate of substitution

3.4. The budget constraint

Unit 4. Consumer choice

4.1. Consumer equilibrium

4.2. Individual demand function

4.3. Demand curves and the Engel curve

4.4. Price elasticities and income elasticities

4.5. Classification of goods and demand

Unit 5. The function of **the** individual and market demands

5.1. Substitution effect and income effect

5.2. Consumer surplus

5.3. From the individual function to the market function

PartIII:Theory of Production

Unit 6. Production

6.1. The production set and the production function

6.2. The marginal rate of technical substitution

6.3. Returns to scale

6.4. Marginal, average and total productivity

Unit 7. Minimizing costs and maximizing benefit

7.1. Cost minimization

7.2. Conditioned demand of inputs

7.3. Cost functions

7.4. Long-run and short-run costs

7.5. Marginal income, marginal costs and profit maximization

4.3.Syllabus

4.4.Course planning and calendar

Calendar of actual sessions and presentation of works

It is estimated that a student will spend an average of 150 hours of effective work for optimally preparing this course. These hours include both class-work and attendance and homework/exam preparation. It is highly recommended that the student distribute this preparation time evenly during the term.

	HOURS OF ATTENDANCE		HOURS OF PERSONAL WORK
	Theory	Practice	
Lesson 1	2 hours	0 hours	6 hours
Lesson 2	4 hours	4 hours	12 hours
Lesson 3	6 hours	6 hours	18 hours
Lesson 4	6 hours	4 hours	18 hours
Lesson 5	4 hours	6 hours	12 hours
Lesson 6	4 hours	6 hours	12 hours
Lesson 7	4 hours	4 hours	12 hours
Total	30	30	90

This course is offered during the second semester, which runs between February and June. The official hours and dates of the final exams can be found on the web pages of the centres in which the course is offered.

Dates of the partial exams will be announced in each group.

4.5.Bibliography and recommended resources