
INTRODUCTION TO ECONOMICS

**Grado en Comportamiento y Ciencias Sociales BBSS SEP-
2023 ITE-BS.2.M.B**

Area Others

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Academic year: 23-24

Degree course: SECOND

Number of credits: 6.0

Semester: 2º

Category: COMPULSORY

Language: English

Professor: **PAULINA ELISA ETXEBERRIA GARAIGORTA**

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Academic background:

PhD in Economics, European Doctor, UPV/EHU (Bilbao).

MPhil. Quantitative Finance, UCM (Madrid), UV (Valencia), UPV/EHU (Bilbao).

M.A. Business and Economics, University Pompeu Fabra (Barcelona).

Degree in Economics, UPV/EHU (Bilbao).

Research experience:

Researcher at Boston College (Boston), 2017.

Researcher at University of Pennsylvania (Philadelphia), 2007, 2011- 2013.

Researcher at European University Institute (Florence), 2009.

Researcher at UPV/EHU, 2005-2008, 2010-2011, 2013-2014.

She has addressed seminars and conferences at several institutions such as Symposium of Economic Analysis, Encuentros de Economía Aplicada, ASSET Annual Meeting, Symposium of Economic Theory and Applications, DEGIT Dynamics, Economic Growth and International Trade, All China (ACE) International Conference.

Her research has been published in scientific journals and books. She has been involved and has participated in several research networks and long-duration projects financed by the European Commission and the Spanish Ministry of Science and Innovation.

Teaching experience:

IE University, 2014-2023: Introduction to Economics, Microeconomics, Foundations of Macroeconomics, Macroeconomics, Global Economic Environment, Economics, Policy and Technology, Economic Growth and Inequality, Poverty and Inequality, IE Humanities.

She has been awarded for "Good teaching Evaluations" for the years 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2021-22 and 2022-23.

Brown University, 2020; 2022; 2023: Principles in Economics.
UPV/EHU 2005-2011, 2013-2014: Macroeconomic Theory, Political Economy
II, Finance, Asset Pricing, Introduction to Matlab.
IE University, 2017-2021: Final Project Advisor
IE University 2019-2023: Student supervisor

Consulting experience:

She worked on research and international consulting services on innovation
and urban growth and development in cities and regions.

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SUBJECT DESCRIPTION

Over the past few decades, Economics has taken on a growing importance among scientific disciplines and it is now included in introductory courses for most university degree programs. Economic science studies human behavior in its attempt to satisfy the most urgent needs by choosing among multiple possibilities in an environment of scarce resources, uncertainty and subjective valuations. Thus the knowledge of economic science is basic to understand how individual agents, typically interacting in decentralized markets, achieve collective ends.

Students in the Introduction to Economics course will get acquainted with basic economic thinking and will get a general and overarching perspective on the skills and information to understand more advanced economic topics. The final aim is that this methodology becomes a useful tool that students can apply in their future professional career.

LEARNING OBJECTIVES

2.1. OBJECTIVES

Given its introductory nature, the basic objective of the course is to familiarize students with basic economic concepts and with the methodology that scholars and practitioners in the economic discipline use to understand and explain decision making and the economic problems and phenomena that surround us. In this course we will get a flavor on how markets work, how prices arise through individuals' interaction, and how public intervention may at times be justified on social grounds and other times may be questionable if it leads to an outcome where social welfare is smaller than that resulting from an environment with voluntary private interaction. To do so we will go over basic concepts and tools and will sketch out the main economic processes and relationships, in the fields of both microeconomics (feasible choices, individual supply and demand, consumer and producer behavior, the workings of markets, assessment of economic outcomes, public sector intervention, etc.) and macroeconomics (national production and growth, employment and the labor market, the role of investment, inflation, unemployment, fiscal and monetary policies, etc.).

2.2. SKILLS

The study of Economic Theory, aims to develop students' ability to describe, analyze and understand the economic environment where business takes place. More specifically, the Introduction to Economics course aims for the student to make progress in several specific skills:

Cognitive (Know)

- Analyze the behavior of economic agents (consumers and businesses) and the operation of

markets.

- Understand economic institutions through the study of theories as to how the economy works.
- Learn macro-aggregate economic concepts and their use.
- Understand the general workings of the overall economy over the short and the long run.
- Explore the use of economic models to make predictions about the real world.

Procedures (Know How)

- Apply economic criteria based on the use of technical tools to the analysis of simple economic problems.
- Use the relevant information to evaluate the current economic environment and possible evolution of business and markets.
- Use the course material to analyze new economic problems and reason in a rigorous and systematic way.
- Identify the sources of relevant economic information.
- Draw relevant information from data that non-experts would be unable to appreciate.
- Improve the ability to present and discuss in a coherent manner, whether in a written text or public exposition, the results of a specific economic study.

Attitude (Being)

- Improve individual problem solving, confront problems in a rigorous and systematic fashion and think critically.
- Develop the ability to share and discuss the results with other students.
- Encourage an entrepreneurial and positive attitude when faced with new problems, and encourage students to overcome failure.

TEACHING METHODOLOGY

IE University teaching method is defined by its collaborative, active, and applied nature. Students actively participate in the whole process to build their knowledge and sharpen their skills. Professor's main role is to lead and guide students to achieve the learning objectives of the course. This is done by engaging in a diverse range of teaching techniques and different types of learning activities such as the following:

Learning Activity	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	40.0 %	60.0 hours
Discussions	10.0 %	15.0 hours
Exercises in class, Asynchronous sessions, Field Work	10.0 %	15.0 hours
Group work	20.0 %	30.0 hours
Individual studying	20.0 %	30.0 hours
TOTAL	100.0 %	150.0 hours

PROGRAM

SESSION 1 (LIVE IN-PERSON)

Introduction to the Course: Syllabus and Course Evaluation

Reading: Syllabus

Activities: Lecture. Discussion

SESSION 2 (LIVE IN-PERSON)

Module 1: Economic Growth and Technological Progress

The Capitalist Revolution

Description: the big picture about how the global economy came to look as it does today. How capitalism revolutionized the way we live, and how economics attempts to understand this and other economic systems.

Reading: Chapter 1, The Economy.

Activities: Lecture. In class-debate and exercises.

Book Chapters: The Economy (Chapter 1) (CORE project)

SESSION 3 (LIVE IN-PERSON)

Module 1: Economic Growth and Technological Progress

The Capitalist Revolution

Reading: Chapter 1, The Economy.

Activities: Lecture. In-class Debate.

Book Chapters: The Economy (Chapter 1) (CORE project)

SESSION 4 (LIVE IN-PERSON)

Module 1: Economic Growth and Technological Progress

The Capitalist Revolution

Reading: Chapter 1, The Economy.

Activities: Quiz, Exercises

Book Chapters: The Economy (Chapter 1) (CORE project)

SESSION 5 (LIVE IN-PERSON)

Module 1: Economic Growth and Technological Progress

Technology, Population and Growth

Description: how improvements in technology happen and how they sustain growth in living standards.

Reading: Chapter 2, The Economy.

Activities: Lecture. In-class debate and exercises.

Book Chapters: The Economy (Chapter 2) (CORE project)

SESSION 6 (LIVE IN-PERSON)

Module 1: Economic Growth and Technological Progress

Technology, Population and Growth

Reading: Chapter 2, The Economy.

Activities: Lecture. In-class Debate.

Book Chapters: The Economy (Chapter 2) (CORE project)

SESSION 7 (LIVE IN-PERSON)

Module 1: Economic Growth and Technological Progress

Technology, Population and Growth

Reading: Chapter 2, The Economy.

Activities: Quiz. Exercise.

Book Chapters: The Economy (Chapter 2) (CORE project)

SESSION 8 (LIVE IN-PERSON)

Module 2: Decision-making, self-interest and the appropriate institutions for desirable social outcomes

Scarcity, Work and Choice

Description: how individuals do the best they can and how they resolve the trade-off between earning and free time.

Reading: Chapter 3, The Economy.

Activities: Lecture. In-class debate and exercises.

Book Chapters: The Economy (Chapter 3) (CORE project)

SESSION 9 (LIVE IN-PERSON)

Module 2: Decision-making, self-interest and the appropriate institutions for desirable social outcomes

Scarcity, Work and Choice

Reading: Chapter 3, The Economy.

Activities: Lecture. In-class Debate.

Book Chapters: The Economy (Chapter 3) (CORE project)

SESSION 10 (LIVE IN-PERSON)

Module 2: Decision-making, self-interest and the appropriate institutions for desirable social outcomes

Scarcity, Work and Choice

Reading: Chapter 3, The Economy.

Activities: Quiz. Exercise.

Book Chapters: The Economy (Chapter 3) (CORE project)

SESSION 11 (LIVE IN-PERSON)

Module 2: Decision-making, self-interest and the appropriate institutions for desirable social outcomes

Social Interactions

Description: a combination of self-interest, a regard for the wellbeing of others and appropriate institutions can yield desirable social outcome when people interact.

Reading: Chapter 4, The Economy.

Activities: Lecture. In-class debate and exercises.

Book Chapters: The Economy (Chapter 4) (CORE project)

SESSION 12 (LIVE IN-PERSON)

Module 2: Decision-making, self-interest and the appropriate institutions for desirable social outcomes

Social Interactions

Reading: Chapter 4, The Economy.

Activities: Lecture. In-class Debate.

Book Chapters: The Economy (Chapter 4) (CORE project)

SESSION 13 (LIVE IN-PERSON)

Module 2: Decision-making, self-interest and the appropriate institutions for desirable social outcomes

Social Interactions

Reading: Chapter 4, The Economy.

Activities: Quiz. Exercise.

Book Chapters: The Economy (Chapter 4) (CORE project)

SESSION 14 (LIVE IN-PERSON)

Review for the Midterm Exam

Activities: Exercises

SESSION 15 (LIVE IN-PERSON)

Midterm Exam

Book Chapters: The Economy (Chapter 5) (CORE project)

SESSION 16 (LIVE IN-PERSON)

Module 3: The role of Institutions and How Markets Operate

Property and Power: Mutual Gains and Conflict

Description: How institutions influence the balance of power in economic interactions and affect the fairness and efficiency of the allocations that result.

Reading: Chapter 5, The Economy.

Activities: Lecture. In-class debate and exercises.

Book Chapters: The Economy (Chapter 5) (CORE project)

SESSION 17 (LIVE IN-PERSON)

Module 3: The role of Institutions and How Markets Operate

Property and Power: Mutual Gains and Conflict

Description: How institutions influence the balance of power in economic interactions and affect the fairness and efficiency of the allocations that result.

Reading: Chapter 5, The Economy.

Activities: Lecture. In-class debate. Quiz. Exercise.

Book Chapters: The Economy (Chapter 5) (CORE project)

SESSION 18 (LIVE IN-PERSON)

Module 3: The role of Institutions and How Markets Operate

Supply and Demand: Price-taking and competitive markets

Description: how markets operate when all buyers and sellers are price takers.

Reading: Chapter 8, The Economy.

Activities: Lecture. Exercises.

Book Chapters: The Economy (Chapter 8) (CORE project)

SESSION 19 (LIVE IN-PERSON)

Module 3: The role of Institutions and How Markets Operate

Supply and Demand: Price-taking and competitive markets

Reading: Chapter 8, The Economy.

Activities: Lecture. In-class debate and exercises.

Book Chapters: The Economy (Chapter 8) (CORE project)

SESSION 20 (LIVE IN-PERSON)

Module 3: The role of Institutions and How Markets Operate

Supply and Demand: Price-taking and competitive markets

Reading: Chapter 8, The Economy.

Activities: Quiz. Exercise.

Book Chapters: The Economy (Chapter 8) (CORE project)

SESSION 21 (LIVE IN-PERSON)

Module 4: Government Intervention and the Aggregate Economy

Markets, Efficiency, and Public Policy

Description: when market-determined prices induce people to account for the full effects of their actions on others, outcomes are efficient. When prices do not capture significant effects, markets fail and other remedies are needed.

Reading: Chapter 12, The Economy.

Activities: Lecture. In-class debate and exercises.

Book Chapters: The Economy (Chapter 12) (CORE project)

SESSION 22 (LIVE IN-PERSON)

Module 4: Government Intervention and the Aggregate Economy

Markets, Efficiency, and Public Policy

Reading: Chapter 12, The Economy.

Activities: Lecture. In-class Debate

Book Chapters: The Economy (Chapter 12) (CORE project)

SESSION 23 (LIVE IN-PERSON)

Module 4: Government Intervention and the Aggregate Economy

Markets, Efficiency, and Public Policy

Reading: Chapter 12, The Economy.

Activities: Quiz. Exercise.

Book Chapters: The Economy (Chapter 12) (CORE project)

SESSION 24 (LIVE IN-PERSON)

Module 4: Government Intervention and the Aggregate Economy

Economic Fluctuations and Unemployment

Description: how economies fluctuate between booms and recessions as they are continuously hit by good and bad shocks

Reading: Chapter 13, The Economy.

Activities: Lecture. In-class debate and exercises.

Book Chapters: The Economy (Chapter 13) (CORE project)

SESSION 25 (LIVE IN-PERSON)

Module 4: Government Intervention and the Aggregate Economy

Economic Fluctuations and Unemployment

Reading: Chapter 13, The Economy.

Activities: Lecture. In-class Debate

Book Chapters: The Economy (Chapter 13) (CORE project)

SESSION 26 (LIVE IN-PERSON)

Module 4: Government Intervention and the Aggregate Economy

Economic Fluctuations and Unemployment

Reading: Chapter 13, The Economy.

Activities: Quiz. Exercise.

Book Chapters: The Economy (Chapter 13) (CORE project)

Games & Simulations: Case: 10 Downing Street (EEN090064-U-ENG-HTM)

SESSION 27 (LIVE IN-PERSON)

Module 5: Empirical Projects

Doing Economics

Reading: Doing Economics

Activities: Group Assignment Presentations

Book Chapters: Doing Economics (CORE project)

SESSION 28 (LIVE IN-PERSON)

Module 5: Empirical Projects

Doing Economics

Reading: Doing Economics

Activities: Group Assignment Presentations

Book Chapters: Doing Economics (CORE project)

SESSION 29 (LIVE IN-PERSON)

Review Session

Activities: Exercises

SESSION 30 (LIVE IN-PERSON)

Final Exam

Activities: Short Questions Exam

EVALUATION CRITERIA

criteria	percentage	Learning Objectives	Comments
Final Exam	20 %		multiple-choice questions
Intermediate Tests	20 %		Midterm-Exam. Multiple-choice questions
Individual Work	35 %		Students will apply the theoretical knowledge doing practical exercises. Detailed Instructions are handed out the first day of class.
Workgroups	15 %		Final Group Project. An empirical project on an economic topic (15% grade) from Doing Economics: students must, using real-world data, investigate important policy problems and strengthen the link between real-world phenomena and economic concepts and models covered in class. Detailed Instructions are handed out the first day of class.
Class Participation	10 %		

RE-SIT / RE-TAKE POLICY

Each student has four (4) chances to pass any given course distributed over two (2) consecutive academic years. Each academic year consists of two calls: one (1) ordinary call (during the semester when the course is taking place); and one (1) extraordinary call (or “re-sit”) in June/July.

Students who do not comply with the 80% attendance requirement in each subject during the semester will automatically fail both calls (ordinary and extraordinary) for that Academic Year and have to re-take the course (i.e., re-enroll) during the next Academic Year.

The Extraordinary Call Evaluation criteria will be subject to the following rules:

Students failing the course in the ordinary call (during the semester) will have to re-sit evaluation for the course in June / July (except those students who do not comply with the attendance rule, and therefore will not have that opportunity, since they will fail both calls and must directly re-enroll in the course during the next Academic Year).

It is not permitted to change the format nor the date of the extraordinary call exams or deadlines under any circumstance. All extraordinary call evaluation dates will be announced in advance and must be taken into consideration before planning the summer (e.g. internships, trips, holidays, etc.)

The June/July re-sit will consist of a comprehensive evaluation of the course. Your final grade for the course will depend on the performance in this exam or evaluation only. I.e., continuous evaluation over the semester (e.g. participation, quizzes, projects and/or other grade components over the semester) will not be taken into consideration on the extraordinary call. Students will have to achieve the minimum passing grade of 5 and the maximum grade will be capped at 8.0 (out of 10.0) – i.e., “notable” in the extraordinary call.

Re-takers: Students who failed the subject on a previous Academic Year and are now re-enrolled as re-takers in a course will need to check the syllabus of the assigned professor, as well as contact the professor individually, regarding the specific evaluation criteria for them as re-takers in the course during that semester (ordinary call of that Academic Year). The maximum grade that may be obtained as a retaker during the ordinary call (i.e., the 3rd call) is 10.0 (out of 10.0).

After exams and other assessments are graded by the professor (on either the ordinary or extraordinary call), students will have a possibility to attend a review session (whether it be a final exam, a final project, or the final overall grade in a given course). Please be available to attend the session in order to clarify any concerns you might have regarding your grade. Your professor will inform you about the time and place of the review session.

Students failing more than 18 ECTS credits after the June/July re-sits will be asked to leave the Program. Please, make sure to prepare yourself well for the exams in order to pass your failed subjects.

In case you decide to skip the opportunity to re-sit for an exam or evaluation during the June/July extraordinary call, you will need to enroll in that course again for the next Academic Year as a re-taker, and pay the corresponding tuition fees. As you know, students have a total of four (4) allowed calls to pass a given subject or course, in order to remain in the program.

BIBLIOGRAPHY

Compulsory

- The Core Team. *The Economy*. Oxford University Press. ISBN 9780198810247 (Digital)

This book is available in an online version only and can be acquired via:

BEHAVIOR RULES

Please, check the University's Code of Conduct [here](#). The Program Director may

provide further indications.

ATTENDANCE POLICY

Please, check the University's Attendance Policy [here](#). The Program Director may provide further indications.

ETHICAL POLICY

Please, check the University's Ethics Code [here](#). The Program Director may provide further indications.