

MICROECONOMICS

IE University

Academic year: 20-21

Degree course: FIRST

Semester: 1º

Category: BASIC

Number of credits: 6.0

Language: English

PREREQUISITES

There are no mandatory prerequisites

SUBJECT DESCRIPTION

In this course students will learn the decision-making process of economic agents (firms, households, and the government) and how they operate in different market environments. Students will apply microeconomic concepts to global issues such as environmental protection, public goods, poverty and economic inequality, international trade, and globalization and protectionism.

OBJECTIVES AND SKILLS

At the end of the course students should be able to understand basic economic concepts and have the tools for the analysis of the decisions of firms and households, the determination of prices in a market economy and welfare implications of market outcomes and economic policies.

Students will develop the following skills:

- Basic economic concepts including opportunity costs and scarcity
- How to analyze production possibilities of firms and countries, the sources of their comparative advantages, and gains from trade
- How to use the supply and demand model to understand how markets work.
- How elasticity is calculated and its relevance to understanding markets.
- How to analyze consumer behavior with respect to decisions about consumption, savings and employment.
- How to analyze decisions firms make about pricing, output, employment and investment.
- How to analyze the behavior of firms in alternative market structures including perfect competition, monopoly, monopolistic competition and oligopoly.
- How to use the concepts of equity, efficiency, and market failure to analyze and evaluate government policies such as price floors and ceilings, tax policy, environmental policy, etc.

METHODOLOGY

Basic economic concepts and theoretical tools will be taught in lectures and developed skills applied in practical activities covering real issues. Participation in class, discussions, exercises and group work will strengthen the learning process. Individual studying will be key to succeed in examinations.

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	26.67 %	40 hours
Discussions	16.67 %	25 hours
Exercises	16.67 %	25 hours
Group work	13.33 %	20 hours
Other individual studying	26.67 %	40 hours
TOTAL	100.0 %	150 hours

PROGRAM

SESSION 1 (FACE TO FACE)

Welcome to Economics!

B.C.: Principles of Microeconomics 2e Chapter 1 (Required)

SESSION 2 (FACE TO FACE)

Choice in a World of Scarcity

B.C.: Principles of Microeconomics Chapter 2e Chapter 2 (Required) (Book)

SESSIONS 3 - 4 (FACE TO FACE)

Demand and Supply

B.C.: Principles of Microeconomics 2e Chapter 3 (Required) (Book)

SESSION 5 (FACE TO FACE)

Labor and Financial Markets

B.C.: Principles of Microeconomics 2e Chapter 4 (Required) (Book)

SESSION 6 (FACE TO FACE)

Elasticity

B.C.: Principles of Microeconomics 2e Chapter 5 (Required) (Book)

SESSIONS 7 - 8 (FACE TO FACE)

Consumer Choices

B.C.: Principles of Microeconomics 2e Chapter 6 (Required) (Book)

SESSION 9 (FACE TO FACE)

International Trade

B.C.: Principles of Microeconomics 2e Chapter 19 (Required) (Book)

SESSIONS 10 - 11 (FACE TO FACE)

Production, Cost and Industry Structure

B.C.: Principles of Microeconomics 2e Chapter 7 (Required) (Book)

SESSION 12 (FACE TO FACE)

Environmental Protection and Negative Externalities

B.C.: Principles of Microeconomics 2e Chapter 12 (Required) (Book)

SESSION 13 (FACE TO FACE)

Positive Externalities and Public Goods

B.C.: Principles of Microeconomics 2e Chapter 13 (Required) (Book)

SESSIONS 14 - 15 (NON-CLASS LEARNING)

Review sessions before mid-term exam

SESSIONS 16 - 17 (NON-CLASS LEARNING)

Mid-term exam

SESSION 18 (FACE TO FACE)

Perfect Competition

B.C.: Principles of Microeconomics 2e Chapter 8 (Required) (Book)

SESSION 19 (FACE TO FACE)

Monopoly

B.C.: Principles of Microeconomics 2e Chapter 9 (Required) (Book)

SESSION 20 (FACE TO FACE)

Monopolistic Competition and Oligopoly

B.C.: Principles of Microeconomics 2e Chapter 10 (Required) (Book)

SESSION 21 (FACE TO FACE)

Poverty and Economic Inequality

B.C.: Principles of Microeconomics 2e Chapter 15 (Required) (Book)

SESSION 22 (FACE TO FACE)

Globalization and Protectionism

B.C.: *Principles of Microeconomics 2e Chapter 20 (Required) (Book)*

SESSIONS 23 - 24 (NON-CLASS LEARNING)

Presentations of Public Policy Research Projects

SESSIONS 25 - 26 (NON-CLASS LEARNING)

Presentations of Public Policy Research Projects

SESSIONS 27 - 28 (NON-CLASS LEARNING)

Review session before final exam

SESSIONS 29 - 30 (NON-CLASS LEARNING)

Final exam

BIBLIOGRAPHY

Compulsory

- Greenlaw, Steven et al. (2020). *Principles of Microeconomics 2e*. Second Edition. OpenStax. ISBN 1947172492 (Electronic)

Recommended

- Krugman, Paul. (2018). *Microeconomics*. Fifth Edition. Macmillan Learning. ISBN 9781319108618 (Electronic)

EVALUATION CRITERIA

The assessment methods will be a midterm and a final exam in which students will apply their knowledge of the subject to concrete issues, an individual essay related to current microeconomic problems and a group project to address a global matter using the tools acquired during the term.

Criteria	Percentage	Comments
Final Exam	30 %	
Intermediate Tests	30 %	Midterm
Individual Work	20 %	Individual Assignment
Workgroups	20 %	Group Assignment