

## 27507 - Microeconomics I

### Información del Plan Docente

<b>Academic Year</b>	2018/19
<b>Subject</b>	27507 - Microeconomics I
<b>Faculty / School</b>	109 - Facultad de Economía y Empresa
<b>Degree</b>	449 - Degree in Finance and Accounting
<b>ECTS</b>	6.0
<b>Year</b>	1
<b>Semester</b>	Second semester
<b>Subject Type</b>	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:**

The subject Microeconomics I is the student's first contact with the study of economic theory, which is why it is one of the basic pillars in student training. The content of the subject is structured in three blocks. A first section introduces the basic concepts of microeconomics, such as demand, supply and market. A second part is dedicated to the study of the theory of consumer and demand and a third block focuses on the analysis of the producer and supply. All this constitutes a logical and conceptual baggage that will serve as the basis for the development of the subject Microeconomics II and other disciplines that make up the student's training.

##### 1.2.Context and importance of this course in the degree

The subject Microeconomics I, together with Microeconomics II, offers a global vision of the basic knowledge of the microeconomic theory that every graduate must possess. In the subject Microeconomics I is based on the description of the market and the interactions between supply and demand. Subsequently, each of the elements is studied individually and under the prism of economic analysis. 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 instruments to carry out the analysis will be verbal reasoning, graphic representation and mathematical analysis.

Microeconomics I is a subject of 6 credits of basic training located in the second semester of the first year and belonging to Module I "Environment, Economy, and Business" and to Subject I "Economic Theory". Consequently, its contents are basic in the student's training, provide the necessary elements to study economic reality from the point of view of the method of economic analysis and are fundamental for the development of other subjects, both in the same area as other.

##### 1.3.Recommendations to take this course

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For students coming from studies in which there have not been subjects related to the Economy, as well as with a low level of Mathematics, it is recommended the previous acquisition of a basic background in Economics and Mathematics. It would also be convenient if the student had passed the Mathematics I subject of the first semester.

### 2.Learning goals

#### 2.1.Competences

Upon passing the subject, the student will be more competent to:

##### Specific competences:

- \* E.1. Understand the nature of the company and institutions, its relationship with the economic, legal, social and environmental environment and its impact on the financial and accounting areas of organizations.
- \* E.4. Understand the functioning of financial markets, the institutions that intervene in them, the instruments that are negotiated in them and their influence on investment decisions and financing of organizations and individuals.
- \* E.6. Identify, interpret and evaluate the financial and accounting information of companies and institutions to identify strengths and weaknesses, as well as to advise from a technical, financial and accounting approach in decision making.
- \* E.9. Ability to prepare accounting and financial reports, external and internal, as well as to obtain and issue an independent opinion on the accounting information of an organization.

##### Transversal competences:

- \* G.1. Capacity for analysis and synthesis.
- \* G.2. Capacity to solve problems.
- \* G.8. Develop collaborative attitudes and work in multidisciplinary or multicultural teams, as well as develop a critical attitude for the debate.
- \* G.15. Ability to innovate in all aspects, as well as to adapt to new environments: social, cultural, technological, ...
- \* G.17. Motivation for autonomous and continued learning

#### 2.2.Learning goals

The student, to pass this subject, must demonstrate the following results ...

- \* Demonstrates an adequate understanding of the work method in Economic Analysis, identifying the elements of it:

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economic agents, models, variables and data, as well as its scope and application.

\* Is able to correctly and accurately use the basic language of an economist to describe phenomena in the field of microeconomics.

\* Is able to describe and correctly interpret any decision problem of an economic agent, consumer or producer, through verbal reasoning, graphic representations, and mathematical analysis (calculation and elementary algebra).

\* Is able to formally raise any non-dynamic decision problem of an individual economic agent as a problem of conditioned optimization, identifying the relevant endogenous and exogenous variables, obtain their quantitative solution (behavioral equations) and deduce how the solution would change before variations in the environment of this (comparative statics).

\* Is able to reasonably predict the outcome of the interaction of numerous economic agents in competitive markets in the short term, know their determinants and describe (partial) equilibria and imbalances verbally, graphically and mathematically (systems of equations).

\* Is able to carry out normative analyzes and economic policy recommendations based on them.

\* Is able to develop autonomous learning and prepare written reports according to established guidelines.

### 2.3.Importance of learning goals

1. They allow the student to pose and solve economic problems according to the economy's own method.
2. They constitute the necessary analytical baggage to understand the economic reality in a precise and rigorous way

### 3.Assessment (1st and 2nd call)

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

The evaluation will consist of verifying that the student:

- Knows and understands the concepts contained in the subject.
- Applies the techniques of Economic Analysis correctly.
- Selects the relevant information and interpret it appropriately.
- Expresses him/her reasoning in a clear and orderly manner.

The student must demonstrate that he has achieved the anticipated learning outcomes through the following assessment activities:

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1.- A final global test whose date will be fixed in the academic calendar, according to the Regulation of Evaluation of Learning Standards of the University of Zaragoza. This test assesses the acquisition of microeconomic knowledge from the program of the subject. The test will consist of a series of questions of theoretical and theoretical-practical nature (60%) and practical exercises (40%).

2.- Realization of three voluntary tests, at the end of Parts I II III of the program, respectively. These tests will be carried out during class time and will consist of a series of questions of theoretical and theoretical-practical nature (60%) and practical exercises (40%). The dates and time of completion of the three voluntary tests will be announced with a minimum of two weeks in advance both in the on-line course of each group (Moodle platform) and in the classroom.

### Valuation criteria

The final grade for both calls will be determined by the highest grade between:

- The final global test score, evaluated on 10 points and
- The weighted grade of the final global test (60%) + intermediate tests (40%). The qualification of the intermediate tests will be the average of the one obtained in the three tests.

The provisions of the Reglamento de Normas de Evaluación del Aprendizaje de la Universidad de Zaragoza (Consejo de Gobierno, Acuerdo de 23 de diciembre de 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 provided him with 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 methodology followed in this course is oriented towards the achievement of the learning objectives. A wide range of teaching and learning tasks are implemented, such as lectures, practice sessions, autonomous work, study and assessment tasks.

Students are expected to participate actively in class throughout the semester.

Further information regarding the course will be provided on the first day of class.

### 4.2. Learning tasks

The course includes the following learning tasks:

- Lectures. Credits 1.2. Class attendance and participative problem-solving. The professor will explain the basic course content. The student must supplement the explanations with the recommended reading.
- Practice sessions. Credits: 1.2. Class attendance, problem-solving and case studies. 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.
- Tutorials and seminars. Credits: 0.6. Tutorial and complementary activities.

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- Autonomous work. Credits: 3. Solution of exercises. Use of ITCs. Preparation of assignments and exams.

### 4.3.Syllabus

The course will address the following topics:

#### Part I: Introduction

- Unit 1. Concept and scope of the Economy
  - o 1.1. Economics as a social science
  - o 1.2. Method in economic science
  - o 1.3. Topics in Microeconomics
  - o 1.4. Organization of economic activity
- Unit 2. Demand, supply and market mechanics
  - o 2.1. Market demand
  - o 2.2. Market supply
  - o 2.3. Equilibrium in the competitive market
  - o 2.4. Elasticities of demand and supply

#### Part II: Theory of Consumption

- Unit 3. Preferences, utility and budget constraint
  - o 3.1. The budget set and preferences
  - o 3.2. The utility function
  - o 3.3. The marginal rate of substitution
  - o 3.4. The budget constraint
- Unit 4. Consumer choice
  - o 4.1. Consumer equilibrium
  - o 4.2. Individual demand function
  - o 4.3. Demand curves and the Engel curve
  - o 4.4. Price elasticities and income elasticities
  - o 4.5. Classification of goods and demand
- Unit 5. The function of the individual and market demands
  - o 5.1. Substitution effect and income effect
  - o 5.2. Consumer surplus
  - o 5.3. From the individual function to the market function

#### Part III: Theory of Production

- Unit 6. Production
  - o 6.1. The production set and the production function
  - o 6.2. The marginal rate of technical substitution
  - o 6.3. Returns to scale
  - o 6.4. Marginal, average and total productivity
- Unit 7. Minimizing costs and maximizing benefit
  - o 7.1. Cost minimization
  - o 7.2. Conditioned demand of inputs
  - o 7.3. Cost functions
  - o 7.4. Long-run and short-run costs
  - o 7.5. Marginal income, marginal costs and profit maximization

### 4.4.Course planning and calendar

It is estimated that a student must devote a total of 150 hours to this subject of 6 ECTS credits, which should include both face-to-face and non-face-to-face activities. The dedication to it must be ensured that it is distributed in a balanced way throughout the course.

## **27507 - Microeconomics I**

It is a subject of the second semester whose teaching is taught between February and June. The official hours of delivery of the subject and the dates of the global tests can be found on the website of the Faculty of Economics and Business.

The contents of the subject and materials will be available to students in the Digital Ring and in reprography. The dates of completion of the various tests will also be publicized both in the A.D.D and in the pages of the responsible teachers. The subject is available in the A.D.D. Moodle 2 platform: <https://moodle2.unizar.es/add>

### **4.5. Bibliography and recommended resources**