

27420 - Microeconomics III

Syllabus Information

Academic Year: 2020/21

Subject: 27420 - Microeconomics III

Faculty / School: 109 - Facultad de Economía y Empresa

Degree: 417 - Degree in Economics

ECTS: 6.0

Year: 3

Semester: First semester

Subject Type: Compulsory

Module: ---

1.General information

1.1.Aims of the course

1.2.Context and importance of this course in the degree

1.3.Recommendations to take this course

2.Learning goals

2.1.Competences

2.2.Learning goals

2.3.Importance of learning goals

3.Assessment (1st and 2nd call)

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

4.Methodology, learning tasks, syllabus and resources

4.1.Methodological overview

The learning process is based on the following items:

- Theoretical presentation with the active participation of students in the subjects under study.
- Resolution of exercises.
- Homework established by the teacher..

4.2.Learning tasks

The program is designed in order to achieve the expected results and includes theoretical class attendance and homework and personal study.

The teaching methodology is planned for face-to-face classes. However, if necessary for health reasons, teaching could be delivered on line or in a blended way.

4.3.Syllabus

Part I. Consumer theory and individual demand.

1. Duality in consumer theory.

1.1. Hicksian demand functions.

- 1.2. Indirect utility function and expenditure function.
- 1.3. Shephard's Lemma, Roy's identity and Slutsky's equation.
- 1.4. Restrictions on consumer demand and integrability.

2. Price changes and consumer's welfare.

- 2.1. Consumer surplus, equivalent variation, and compensating variation.
- 2.2. Price index and true price index.

Part II. General equilibrium and welfare.

3. Walrasian equilibrium.

- 3.1 Graphic analysis and formal analysis.
- 3.2. Existence, uniqueness, and stability of Walrasian equilibrium.

4. General equilibrium in production.

- 4.1. Graphic analysis.
- 4.2. Marginal conditions of competitive general equilibrium.

5. General equilibrium and its basic welfare properties.

- 5.1. Pareto efficiency and the fundamental theorems of welfare economics.
- 5.2. Collective comparisons and compensating criteria.

Part III

6. Market failures.

- 6.1. Public goods.
- 6.2. Externalities.
- 6.3. Natural monopoly.
- 6.4. Public choice

Part IV

7. Introduction to social choice.

- 7.1. Welfare maximization.
- 7.2. Social welfare functions.
- 7.3. Arrow's impossibility theorem.
- 7.4. Justice and equity.

4.4.Course planning and calendar

	Theory	Exercices	Homework	TOTAL
Chapter 1	6	4	15,5	25,5
Chapter 2	3	3	9	15
Chapter 3	6	4	15,5	25,5
Chapter 4	2	2	6	10
Chapter 5	5	6	16	27
Chapter 6	5	5	15	25
Chapter 7	3	6	13	22

4.5.Bibliography and recommended resources