

## 27513 - Microeconomics II

### Syllabus Information

**Academic Year:** 2020/21

**Subject:** 27513 - Microeconomics II

**Faculty / School:** 109 - Facultad de Economía y Empresa

**Degree:** 449 - Degree in Finance and Accounting

**ECTS:** 6.0

**Year:** 2

**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 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 session: 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.
- Autonomous work: Credits: 3. Problem-solving. Use of ICTs. Preparation of assignments and exams.

The teaching delivery methodology is expected to pivot around face-to-face classes. However, if necessary for health

reasons, face-to-face classes may be taught online.

### 4.3.Syllabus

The course will address the following topics:

- Topic 1. Introduction to market theory
  - 1.1. Objectives of market theory
  - 1.2. Theory of the firm: Basic concepts
  - 1.3. Profit maximization and market structure

#### Part I: The analysis of competitive markets

- Topic 2. Equilibrium in competitive markets
  - 2.1. Characteristics of competitive markets
  - 2.2. Marginal revenue and marginal cost. The firm's demand curve
  - 2.3. Profit maximization and short-run supply curve
  - 2.4. Short-run competitive market equilibrium
  - 2.5. Long-run supply curve
  - 2.6. Long-run market equilibrium
- Topic 3. The analysis of competitive markets
  - 3.1. Consumer and producer surplus
  - 3.2. Welfare: efficiency in a competitive market
  - 3.3. Government intervention by means of price controls and production quotas
  - 3.4. Government intervention by means of taxes, subsidies and tariffs
  - 3.5. International trade and tariffs
  - 3.6. General equilibrium: Welfare Theorems

#### Part II: Market Failures

- Topic 4. Monopoly theory
  - 4.1. Introduction: market power
  - 4.2. Equilibrium and market power in monopolies
  - 4.3. Welfare: the social costs of market power
  - 4.4. Government intervention by means of taxes, subsidies and regulation
  - 4.5. Pricing with market power
- Topic 5. Oligopoly theory
  - 5.1. Oligopoly and strategic interaction
  - 5.2. Introduction to Game Theory: Nash equilibrium
  - 5.3. Simultaneous competition in quantities: Cournot model
  - 5.4. Simultaneous competition in prices: Bertrand paradox
  - 5.5. Solutions to Bertrand paradox: product differentiation and collusion
  - 5.6. Sequential competition: Stackelberg model
  - 5.7. Welfare in oligopolies
- Topic 6. Other market failures
  - 6.1. Markets with asymmetric information
  - 6.2. Externalities and its correction
  - 6.3. Common property resources
  - 6.4. Public goods

### 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.

It is a subject of the first semester whose teaching is taught between September and January. 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 dates of the complementary tests will be announced in each group.

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