

Academic Year/course: 2021/22

27415 - Microeconomics II

Syllabus Information

Academic Year: 2021/22

Subject: 27415 - Microeconomía II

Faculty / School: 109 - Facultad de Economía y Empresa

Degree: 417 - Degree in Economics

ECTS: 6.0

Year: 2

Semester: Second semester

Subject Type: Compulsory

Module:

1. General information

2. Learning goals

3. Assessment (1st and 2nd call)

4. Methodology, learning tasks, syllabus and resources

4.1. Methodological overview

Microeconomics II constitutes a major building block in the student's formation as an economist. Together with Microeconomics I, it provides a global picture of the basic knowledge in Microeconomics that the student must acquire.

In the first part of the course, we proceed to analyze the aggregate behavior of economic agents operating in competitive markets, together with the properties of these markets in efficiency terms. The second part is devoted to the study of the consequences of a number of market failures (monopoly, oligopoly, asymmetric information, externalities and public goods) on social welfare.

4.2. Learning tasks

The learning process that has been designed for this course is based on the following activities:

1.- Participative lectures. The professor will explain the basic course content. The student must supplement the explanations with the recommended reading.

2.- Practical classes. Students will solve practice exercises, always under the supervision of the instructor. This will be done in smaller groups to facilitate the participation of each student.

The program offered to the students to help them achieve the learning results includes the following activities: Lectures:

Credits: 1,2.

Methodology: Class attendance and participative problem-solving. Practical classes:

Credits: 1.2

Methodology: Class attendance, problem-solving and case studies. Tutorials and seminars:

Credits: 0.6

Methodology: Tutorial and complementary activities. Personal work:

Credits: 3

Methodology: Problem-solving. Use of ICTs. Preparation of assignments and exams.

"The teaching methodology is planned to be face-to-face. However, if it is necessary for health reasons, the face-to-face classes may be taught online."

4.3. Syllabus

Lesson 1: Introduction to market theory

- 1.1. Goals of market theory
- 1.2. Theory of the firm: Basic concepts
- 1.3. Profit maximization and market structure

Lesson 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

Lesson 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

Lesson 4. General competitive equilibrium

- 4.1. General equilibrium analysis
- 4.2. Efficiency in exchange
- 4.3. Efficiency in production
- 4.4. Why markets fail?

Lesson 5: Monopoly theory

- 5.1. Introduction: market power
- 5.2. Equilibrium and market power in monopolies
- 5.3. Welfare: the social costs of market power
- 5.4. Government intervention by means of taxes, subsidies and regulation
- 5.5. Pricing with market power

Lesson 6: Oligopoly theory

- 6.1. Monopolistic competition, oligopoly and strategic interaction
- 6.2. Introduction to Game Theory: Nash equilibrium
- 6.3. Simultaneous competition in quantities: Cournot model
- 6.4. Simultaneous competition in prices: Bertrand paradox
- 6.5. Solutions to Bertrand paradox
- 6.6. Sequential competition: Stackelberg model
- 6.7. Welfare

4.4. Course planning and calendar

Calendar of actual sessions and presentation of works

Timetable

| | THEORY | PRACTICE | HOURS OF PERSONAL WORK |
|----------|---------|----------|------------------------|
| LESSON 1 | 2 hours | 0 hours | 5 hours |
| LESSON 2 | 6 hours | 6 hours | 15 hours |
| LESSON 3 | 6 hours | 6 hours | 15 hours |
| LESSON 4 | 6 hours | 6 hours | 15 hours |
| LESSON 5 | 6 hours | 6 hours | 15 hours |
| LESSON 6 | 4 hours | 4 hours | 10 hours |