

Academic Year/course: 2022/23

27424 - Microeconomics IV

Syllabus Information

Academic Year: 2022/23

Subject: 27424 - Microeconomics IV

Faculty / School: 109 - Facultad de Economía y Empresa

Degree: 417 - Degree in Economics

ECTS: 6.0

Year: 3

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 IV is devoted to the economic analysis of oligopolistic markets and market failures caused by both the existence of market power and also due to asymmetric information. Since the main analytic tool that is used in studying oligopolies is game theory, the first part of the course introduces its basic concepts.

The methodology followed in this course is oriented towards the achievement of the learning objectives. It is based on active participation, case studies, teamwork etc. that favor the development of communicative skills and critical thinking. A wide range of teaching and learning tasks are implemented, such as lectures, practice sessions, autonomous work, tutorials, and assessment tasks.

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

Classroom materials will be available via Moodle. These include a repository of the lecture notes used in class, the course syllabus, as well as other course-specific learning materials.

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

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.

This is a 6 ECTS course organized as follows:

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 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

The course will address the following topics:

Part I Introduction to Game Theory**Unit 1. Game Theory I: Simultaneous games**

- 1.1. Introduction.
- 1.2. Strictly dominated strategies
- 1.3. Nash equilibrium
- 1.4. Nash equilibrium: Properties.
- 1.5. Mixed strategies

Unit 2. Game Theory II: Dynamic games

- 2.1. Dynamic games with perfect information.
- 2.2. Dynamic games with imperfect information.

Part II Oligopoly Theory**Unit 3. Static Models of Oligopoly**

- 3.1. Introduction
- 3.2. Concentration and market power
- 3.3. Competition with capacity constraints: Edgeworth model.
- 3.4. Competition with differentiated product: Hotelling model
- 3.5. Market power and sales
- 3.6. Market power: advertising and search.

Unit 4. Dynamic models of Oligopoly

- 4.1. Repeated interaction and collusion
- 4.2. Dominant position and antitrust law
- 4.3. Barriers to entry and dominant firms

Part III Economics of Information**Unit 5. Asymmetric Information**

- 5.1. Introduction
- 5.2. Adverse selection
- 5.3. Signaling
- 5.4. Self-selection
- 5.5. Moral hazard

4.4. Course planning and calendar

Further information concerning the timetable, classroom, office hours, assessment dates and other details regarding this course will be provided on the first day of class or please refer to the "Facultad de Economía y Empresa" website and Moodle (<https://fecem.unizar.es/titulaciones/geco>, <https://econz.unizar.es/te-interesa/horarios-y-examenes>, <https://moodle2.unizar.es>).

Timetable

	THEORY	PRACTICE	HOURS OF PERSONAL WORK
LESSON 1	6 hours	6 hours	10 hours
LESSON 2	6 hours	6 hours	15 hours
LESSON 3	6 hours	6 hours	20 hours
LESSON 4	6 hours	6 hours	15 hours
LESSON 5	6 hours	6 hours	15 hours