Universidad Zaragoza

Academic Year/course: 2023/24

27513 - Microeconomics II

Syllabus Information

Academic year: 2023/24
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

The main goal of this subject is that the student learns the theoretical basis of the structures and functioning of competitive and imperfect competition markets. Knowledge of economic efficiency and welfare theory . Design and evaluation of economic policies and analysis of the consequences of their implementation.

These approaches and goals are aligned with the Sustainable Development Goals (SDGs) of the 2030 Agenda of the United Nations (https://www.un.org/sustainabledevelopment/es/), in particular, the activities planned in the subject will contribute to the achievement of Goals 4, Targets 4.3, 4.4 and 4.5.

In order to be able to achieve the learning results pursued in this course, it is highly recommended that students have passed subjects such as Mathematics I and II and Microeconomics I.

2. Learning results

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

1. Describe, identify and explain the structure of markets according to the type of competition that exists, whether short-term or long-term, and the theoretical foundations of their functioning, identifying the behavior of the economic agents involved in them and using correctly and accurately the basic language of an economist.

2. To pose and solve the equilibrium of a market through verbal reasoning, graphical representations and mathematical analysis (calculus and elementary algebra), for different time horizons and different market structures, at an intermediate microeconomics level. To be able to calculate the surplus of economic agents and the level of social welfare linked to this equilibrium.

3. Predicting and quantifying how equilibrium and welfare would change in the face of variations in agent behavior (comparative statics), at an intermediate microeconomics level.

4. To develop normative analyses, design measures of government intervention (economic policy), and predict and quantify the changes these would produce in the equilibrium of markets and the level of welfare, at an intermediate microeconomy level.

5. Recognize the importance of competitive general equilibrium analysis and its implications for the efficiency of markets, as well as analyze the economic and welfare consequences of the presence of various market failures (asymmetric information, externalities and public goods).

6. Prepare written reports according to established guidelines, in order to develop autonomous learning.

3. Syllabus

Unit 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 structures

Part I: Theory of Competitive Markets

Unit 2: Equilibrium in the competitive market

2.1- Characteristics of Competitive Markets

2.2- Marginal revenue and cost. The demand curve faced by the company

2.3- Profit maximization and short-run supply curve

2.4- Short-term competitive market equilibrium

2.5- Long-term individual supply curve

2.6. Long-term market equilibrium

Unit 3: Analysis of competitive markets

3.1- Consumer and producer surplus

3.2- Welfare: the efficiency of a competitive market

3.3- State intervention through price controls and production quotas

3.4- State intervention through taxes and subsidies.

3.5- International trade and tariffs

3.6- Overall balance: Welfare Theorems

Part II: Market Failures

Unit 4: Monopoly Theory

4.1- Introduction: market power

4.2- Monopoly equilibrium and monopoly power

4.3- Welfare: the social costs of monopoly power

4.4- State intervention: taxes, subsidies and regulation

4.5- Pricing with market power

Unit 5: Oligopoly theory

5.1- Oligopoly and strategic interdependence

5.2- Introduction to Game Theory: Nash equilibrium

5.3- Simultaneous competition in quantities: the Cournot model

5.4- Simultaneous price competition: Bertrand's paradox

5.5- Solutions to Bertrand's paradox: product differentiation and collusion

5.6- Sequential competence: the Stackelberg model

5.7- Welfare

Unit 6. Other market failures

6.1- Markets with asymmetric information

6.2- Externalities and their correction

6.3- Common property resources

6.4- Public goods.

4. Academic activities

Master classes: 30 hours

Practical classes: 30 hours

Personal Study: 88 hours

Assessment tests. 2 hours

6 ECTS = 150 hours

In principle, the teaching methodology and its evaluation is planned to be based on face-to-face classes . However, if circumstances so require, they may be carried out online.

5. Assessment system

The subject will be evaluated in continuous/global evaluation in the first call and by means of global evaluation during the second call.

Continuous assessment:

It will consist of two written tests. In the first one, which will account for 50% of the overall grade, only the subject corresponding to topics 1, 2 and 3 of the subject syllabus will be evaluated. In the second one, only the subject corresponding to topics 4, 5 and 6 will be evaluated. Each test will be graded out of 10 points. In order to pass the subject, the student must obtain an average of 5 points or more, having obtained a minimum grade of 3.5 points in eachof the two tests.

In order to access the continuous evaluation, the student must take all the tests that will be uploaded to Moodle at the end of each topic, each of the tests will be valued on 10 points. In addition, students must obtain an average score for of 5 or higherfor all of these tests.

Global Assessment

A GLOBAL test in which the totality of the subject taught will be evaluated out of 10 points. This global test will be materialized in the two official calls.

Aassessment Criteria:

The global test in each call, as well as the two continuous assessment tests, will consist of a written exam composed of a series of questions of a theoretical and theoretical-practical nature (between 40% and 60% of the total score) and practical exercises.