Universidad Zaragoza

27607 - Microeconomics I

Syllabus Information

Academic year: 2023/24
Subject: 27607 - Microeconomics I
Faculty / School: 109 - Facultad de Economía y Empresa
Degree: 450 - Degree in Marketing and Market Research
ECTS: 6.0
Year: 1
Semester: Second semester
Subject type: Basic Education
Module:

1. General information

The main goal of the subject is that the students learn the basic knowledge of the microeconomic theory. The subject starts with a description of the market and the interactions between supply and demand.

Subsequently, each of the elements is studied individually and under the prism of economic analysis. Thus, analyzes consumer and producer behaviors, leading to the definition of the demand function and the supply function, respectively.

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

In order to achieve the learning results of this subject, it is highly recommended that students are already taking Mathematics I.

2. Learning results

The student, having acquired the knowledge corresponding to this subject:

- Demonstrates an adequate understanding of the working method in Economic Analysis, identifying its elements: economic agents, models, variables and data, as well as their scope and application.

- Is able to correctly and accurately use the basic language of an economist to describe phenomena in the field of microeconomics.

- Is able to describe and interpret correctly any decision problem of an economic agent, consumer or producer, by means of verbal reasoning, graphic representations, and mathematical analysis (calculus and elementary algebra).

- Is able to formally pose any non-dynamic decision problem of an individual economic agent as a conditional optimisation problem, identifying the relevant endogenous and exogenous variables, obtain its quantitative solution (behavioural equations) and deduce how the solution would change under variations in its environment (comparative statics).

- Can reasonably predict the outcome of the interaction of numerous economic agents in short-run competitive markets, know their determinants and describe (partial) equilibria and disequilibria, verbally, graphically and mathematically (systems of equations).

- Is capable of making policy analysis and policy recommendations based on them.

- Is able to develop autonomous learning and prepare written reports according to established guidelines.

3. Syllabus

Part I: Introduction

UNIT 1. Concept and scope of Economics

1.1. Economics as a social science

1.2. Method in economic science

1.3. Microeconomics topics

1.4- Ways of organizing economic activity

UNIT 2. Demand, supply and market mechanism

2.1- Market demand

2.2- Market offer

2.3- Competitive market equilibrium

2.4- Elasticities of demand and supply

Part II: Theory of Consumption

UNIT 3. Preferences, utility and budget constraint

3.1- The choice set and the preference relationship

3.2- The utility function

3.3- Marginal substitution ratio

3.4- The budget constraint

UNIT 4. Consumer choice

4.1- Consumer balance

4.2- The individual demand function

4.3- Demand curves and the Engel curve

4.4- Price elasticities and income elasticities

4.5- Classification of goods and claims

UNIT 5. The individual and market demand function

5.1- Substitution-effect and income-effect

5.2- Consumer surplus

5.3- From the individual demand function to the market function

Part III: Production Theory

UNIT 6. Production

6.1- Technology and the production function

6.2- The technical relationship of substitution

6.3- Returns to scale

6.4- Total, average and marginal productivity

UNIT 7. Cost minimization and profit maximization

7.1- Minimization of costs

7.2- Conditional factor demand functions

7.3- The cost function

7.4- Short and long-term costs

7.5- Marginal revenue, marginal cost and profit maximization.

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 and 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 represent 50% of the overall grade, the subject corresponding to topics 1, 2, 3 and 4 will be evaluated. In the second one, the subject corresponding to topics 5, 6 and 7 will be evaluated. Each test will be evaluated out of 10 points. In order to pass the subject, the student must obtain an average equal to or higher than 5 points, having obtained a minimum grade of 3.5 points in each of 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.

Assessment Criteria

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