

## 27507 - Microeconomics I

### Syllabus Information

**Academic year:** 2024/25

**Subject:** 27507 - Microeconomics I

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

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

**ECTS:** 6.0

**Year:** 1

**Semester:** Second semester

**Subject type:** Basic Education

**Module:**

### 1. General information

The main objective of this subject is that the student learns the basic knowledge of 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 United Nations Agenda 2030 (<https://www.un.org/sustainabledevelopment/es/>), in particular, the activities planned in the subject will contribute to the achievement of goal 4, Objectives 4.3, 4.4 and 4.5.

In order to achieve the learning results pursued in this subject, it is highly recommended that students have passed subjects such as Mathematics I.

### 2. Learning results

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

1. -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.
2. -Is able to correctly and accurately use the basic language of an economist to describe phenomena in the field of microeconomics.
3. Is able to describe and correctly interpret any decision problem of an economic agent, consumer or producer, by means of verbal reasoning, graphic representations, and mathematical analysis (calculus and elementary algebra).
4. -Is capable of formally posing any non-dynamic decision problem of an individual economic agent as a conditional optimization problem, identifying the relevant endogenous and exogenous variables, obtain its quantitative solution (behavioral equations) and deduce how the solution would change in the face of variations in the variations in its environment (comparative statics).
5. -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).
6. -He is able to make policy analysis and policy recommendations based on them.
7. Is able to develop autonomous learning and prepare written reports according to 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.

The learning process that has been designed for this subject is based on participative lectures where the fundamental contents of the subject will be explained and practical classes. In them, students will solve practical exercises, always under the supervision of the teacher.

In addition, students will be provided with several questionnaires that will be uploaded to Moodle at the end of each subject to reinforce their learning.

## **5. Assessment system**

The student will be able to opt for either of the two assessment systems:

### **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 course, 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.

### **Global Assessment**

It will be evaluated out of 10 points. This overall test will take place in the two official examinations.

The overall test, as well as the two continuous assessment tests, will consist of a written exam made up of a series of theoretical multiple-choice or open-choice questions (between 40 and 60% of the total mark) and practical exercises.

Final grade: In the case of having passed the continuous assessment, students who wish to improve their grade will have the right to sit the overall test in the official exam, with the best of the grades obtained prevailing.

### **Assessment Criteria**

In all the tests the student must accredit that his/her understanding of the subject has provided him/her with the appropriate level for the resolution of the microeconomic problems posed, both in theoretical and practical terms.

## **6. Sustainable Development Goals**

4 - Quality Education

5 - Gender Equality

12 - Responsible Production and Consumption