

**COURSE DATA****Data Subject**

<b>Code</b>	35807
<b>Name</b>	Introductory economics
<b>Cycle</b>	Grade
<b>ECTS Credits</b>	6.0
<b>Academic year</b>	2021 - 2022

**Study (s)**

<b>Degree</b>	<b>Center</b>	<b>Acad. year</b>	<b>Period</b>
1313 - Degree in Business Management and Administration	Faculty of Economics	1	First term
1330 - Degree in Business Management and Administration (Ontinyent)	Faculty of Economics	1	First term
1921 - D.D. in Business Management Administration-Law	Doubles Studies Faculty of Law - Faculty of Economics	1	First term
1926 - D.D. in Tourism-Business Management Administration	Faculty of Economics	1	First term

**Subject-matter**

<b>Degree</b>	<b>Subject-matter</b>	<b>Character</b>
1313 - Degree in Business Management and Administration	9 - Economics	Basic Training
1330 - Degree in Business Management and Administration (Ontinyent)	9 - Economía	Basic Training
1921 - D.D. in Business Management Administration-Law	1 - Year 1 compulsory subjects	Basic Training
1926 - D.D. in Tourism-Business Management Administration	1 - Asignaturas de formación básica de primer curso	Basic Training

**Coordination**

<b>Name</b>	<b>Department</b>
ALEPUZ CHAQUES, MARIA DOLORES	10 - Economic Analysis
DIAZ MAYANS, MARIA ANGELES	10 - Economic Analysis
GUMBAU ALBERT, MARIA MERCEDES	10 - Economic Analysis



## SUMMARY

This course is part of Economics that, as a matter of basic training, is taught in the 1st semester of 1st year of the degree in ADE, ADE-DERECHO and TADE. Economics further comprises the subject of Microeconomics (6 ECTS, that is taught in the 1st year, 2nd semester of the mentioned degree).

This course aims to acquaint the student with the principles of economic analysis, providing a first contact with the understanding of the basic functioning of markets, both at micro and macro levels. This knowledge is key for any professional in the world of business and management and in the world of the law. In this subject, you will learn the fundamentals of decision making by firms and consumers, as well as you will understand the macroeconomic environment in which act the firms in an economy.

The contents of the course Introductory Economics are continued in the subjects of Microeconomics (6 ECTS 1er year, 2nd semester) and Macroeconomics (Compulsory, 6 ECTS, 2nd year). Economic analysis provides a basis also for the estimation of models in the course of Econometrics (Compulsory, 6 ECTS, 3rd year, 1st semester).

This course is divided into two groups of subjects: a first set of basic principles and Microeconomics, and a second set of Macroeconomics. In the first set, we study the basic principles of Economics, the markets (demand and supply), the elasticity and their applications, and efficiency and the fundamentals of social welfare analysis. In the second set, we study the basic macroeconomic concepts, aggregate supply (production and growth), the functioning of the economy in the long run and the fundamentals of the monetary system.

## PREVIOUS KNOWLEDGE

### Relationship to other subjects of the same degree

There are no specified enrollment restrictions with other subjects of the curriculum.

### Other requirements

On assume previous knowledge corresponding to first and second high school in the field of humanities and social sciences. Specifically, to successfully tackle this subject, it is desirable that the student has a level of basic mathematics (solving equations with one or two unknowns and basic partial derivatives) and a minimal familiarity with graphical analysis and consultation of information in the network.

## OUTCOMES

### 1313 - Degree in Business Management and Administration

- Demonstrate capacity for analysis and synthesis.
- Have organisation and planning skills.



- Demonstrate oral and written communication skills in the native language.
- Be able to use English in a professional environment.
- Be able to use ICTs in the field of study.
- Be able to analyse and search for information from different sources.
- Be able to solve problems.
- Be able to make decisions.
- Be able to negotiate and reconcile interests effectively.
- Be able to transmit and communicate complex ideas and approaches to both specialised and lay audiences.
- Be able to apply economic principles for the diagnosis and resolution of social problems such as immigration, discrimination and others that affect society and the market.
- Be able to work in a team.
- Have critical and self-critical capacity.
- Manage time effectively.
- Be able to learn autonomously.
- Be able to adapt to new situations.
- Show creativity.
- Show leadership and skills for mobilising the capacities of others.
- Have initiative and entrepreneurial spirit.
- Show motivation for quality.
- Be able to contribute positively to raising awareness of environmental and social issues and to overcoming all forms of discrimination, as essential factors for economic development and poverty alleviation.
- Be able to coordinate activities.
- Be able to identify the sources of relevant economic information and their contents, and to understand economic institutions as the result and implementation of theoretical or formal approaches to how the economy works.
- Know the principles of economic analysis and its application to the diagnosis and resolution of problems.
- Understand the keys to the functioning of the market and the effects of its different structures.
- Be able to understand the functioning of the economy at an aggregate level, the determinants of growth and the causes of economic cycles.
- Be able to carry out strategic diagnoses in complex and uncertain environments using the appropriate methodologies to resolve them.



- Be able to make decisions under certainty and uncertainty environments.
- Be able to apply analytical and mathematical methods for the analysis of economic and business problems.
- Be able to express oneself in formal, graphic and symbolic languages.

### **1330 - Degree in Business Management and Administration (Ontinyent)**

- Demonstrate capacity for analysis and synthesis.
- Have organisation and planning skills.
- Demonstrate oral and written communication skills in the native language.
- Be able to use English in a professional environment.
- Be able to use ICTs in the field of study.
- Be able to analyse and search for information from different sources.
- Be able to solve problems.
- Be able to make decisions.
- Be able to negotiate and reconcile interests effectively.
- Be able to transmit and communicate complex ideas and approaches to both specialised and lay audiences.
- Be able to apply economic principles for the diagnosis and resolution of social problems such as immigration, discrimination and others that affect society and the market.
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## LEARNING OUTCOMES

The expected outcomes of learning of the course Introduction to Economics are:

- To have sufficient microeconomic knowledge to analyse and interpret reality from an economic perspective.
- To understand the role of prices in the economy and the determination of these in different types of markets.
- To be able to understand the set of interactions between the different markets of the economic system.
- To be able to pick up , structure and interpret literature from theoretical knowledge.
- Arguing rigorously economic views and proposals of economic policy, in form both written and oral.
- To be able to insert real economic problems of markets and organizations in the conceptual and abstract framework of microeconomic and macroeconomic models
- To be able to raise objectives clear, achievable, specific and measurable.
- Critically evaluate the magnitude and importance of different economic problems and assess the advantages and disadvantages of policy options designed to solve them, and its impact on society.
- To work cooperative and efficiently in a team.
- To understand and analyse current and relevant issues, both individually and as part of a group.
- To use analytical reasoning to raise and solve economic problems.



## DESCRIPTION OF CONTENTS

### 1. Basic Principles of Economics

- 1.1 The economics of scarcity and the economic approach.
- 1.2 The fundamental principles in Economics: choices and opportunity cost; interaction between economic agents, the functioning of the economy as a whole.
- 1.3 The economic models: the circular flow diagram and the production possibilities frontier.
- 1.4 Microeconomics and Macroeconomics.
- 1.5 Normative analysis versus positive analysis.

Basic Bibliography: Economics. Mankiw & Taylor, 4th edition, Ch. 1, Ch. 2 and pp. 379-384

### 2. Demand and Supply

- 2.1 Markets and competition.
- 2.2 The demand curve: concept and movements.
- 2.3 The supply curve: concept and movements.
- 2.4 The market equilibrium.
- 2.5 Changes in the equilibrium.

Basic Bibliography: Economics. Mankiw & Taylor, 4th edition, Ch.3

### 3. The elasticity and its application

- 3.1 The price elasticity of demand.
- 3.2 Elasticity of demand and revenue.
- 3.3 Other elasticities of demand.
- 3.4 The elasticity of supply.

Basic Bibliography: Economics. Mankiw & Taylor, 4th edition, Ch.4

### 4. Supply, demand and the economic policy.

- 4.1 The control of prices.
- 4.2 The tax on products.
- 4.3 The elasticity and tax incidence.

Basic Bibliography: Economics. Mankiw & Taylor, 4th edition, Ch.8.

### 5. Markets and Welfare.

- 5.1 Utility and demand. Costs and supply.
- 5.2 Consumer surplus and producer surplus.
- 5.3 The efficiency of market.
- 5.4 The market failures.

Basic Bibliography: Economics. Mankiw & Taylor, 4th edition, Ch. 7 and 9 (pp. 179-186)



## **6. Introduction to production function and the markets of factors.**

6.1 The production function and the derived demand for labor.

6.2 The supply of labor: the choice between work and leisure.

6.3 The labor market equilibrium.

6.4 The other factors of production: land and capital.

Basic Bibliography: Economics. Mankiw & Taylor, 4th edition, Ch. 17 (pp. 325-334)

## **7. Introduction. Basic concepts of National Accounts.**

7.1 What we study in Macroeconomics?

7.2 The income and expenditure of an economy: the circular flow of income.

7.3 Measuring output: nominal GDP and real GDP.

7.4 Measuring prices: CPI and GDP deflator. Inflation.

7.5 Measuring unemployment: activity, occupation and unemployment.

Basic Bibliography: Economics. Mankiw & Taylor, 4th edition. Ch. 20, 21 and 23 (pp. 476-479). Review "macro" principles in Ch. 1, and circular flow in Ch. 2.

## **8. The determinants of aggregate production**

8.1 The production from long and short term point of view.

8.2 The aggregate production function. The aggregate supply curve in the short i long run.

8.3 Determinants of aggregate production in the long run.

8.4 Macroeconomics equilibrium

8.5 Economic growth and productivity.

Basic Bibliography: Economics. Mankiw & Taylor, 4th edition. Ch. 22, 31 and 33.

## **9. Income and expenditure: saving, investment and the financial flows**

9.1 Savings and investment in a closed economy.

9.2 The market of loan funds: fiscal policy and real interest rate.

9.3 The savings and investment in an open economy.

Basic Bibliography: Economics. Mankiw & Taylor, 4th edition. Ch. 24 (pp. 507-518) and Ch. 29 (pp. 591-598)

## **10. Money and prices in the long run.**

10.1 Concept, types and functions of money.

10.2 The money supply: the role of central bank and commercial banks.

10.3 The monetary equilibrium: supply and demand for money.

10.4 The classical dichotomy and neutrality of money.

10.5 The velocity of money and the quantitative equation.

Basic Bibliography: Economics. Mankiw & Taylor, 4th edition, Ch. 27 and Ch. 28 (pp. 575-580)

**WORKLOAD**

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Classroom practices	30,00	100
Attendance at events and external activities	2,00	0
Development of group work	10,00	0
Development of individual work	0,00	0
Study and independent work	47,00	0
Readings supplementary material	0,00	0
Preparation of evaluation activities	0,00	0
Preparing lectures	15,00	0
Preparation of practical classes and problem	15,00	0
Resolution of case studies	0,00	0
Resolution of online questionnaires	0,00	0
<b>TOTAL</b>	<b>149,00</b>	

**TEACHING METHODOLOGY**

The methodology to teach the course of Introductory Economics, in both the theoretical and practical classes, is pointing to combine the capacity of individual work with teamwork. More precisely, the methodology used can be described as follows:

- For the lectures the students will prepare in advance the basic readings that are the basis for the theoretical explanation, and the main questions that arise in these readings. The teacher will combine their explanations with the active participation of students (raising questions that can be resolved for the teacher and / or other students, solving brief issues raised by Professor, discussion in group of the aspects that attracted the most interest). It is intended that students develop both their capacity for self-employment (working before to class), and their ability to work together, argue and defend ideas (group discussion) and their ability to communicate orally and in writing (raising their doubts on a particular subject in public and / or resolving the issues in writing referred to it).

- For practical classes students will prepare in advance a set of exercises and case studies to work in the classroom. On the one hand, each student must prepare individually these tasks and, on the other hand, we will ask to students (either individually or in groups) that solve and expose in the classroom some of these tasks for the rest of the students. Some of the tasks can be based on the search for information on the websites of recognized institutions and media. It is intended that students develop their ability to organize forms of group work, problem solving, oral and written communication, coordination of activities and search for information on reliable sources.



The proposed tasks, both individual and group work, may result in "renditions" to be evaluated by the teacher.

## EVALUATION

Marks in the course of Introductory Economics will be obtained from consideration of the following aspects, in this order:

- Written exam done at the end of the course consisting of theoretical and practical questions and questions about a text.
- Assessment of practical activities developed by the student during the course, from the preparation of papers, presentations and problem solving.
- Continuous assessment of students based on their participation and involvement in the teaching-learning process.

In the course of Introductory Economics final mark was as follows: 30% of it is the evaluation of the various activities done throughout the course and active student participation in the classroom, and remaining 70% corresponds to the final synthesis test, that consists of a written exam.

The final synthesis test is mandatory and is a prerequisite for overcoming pass the course. It will be considered approved if the student gets 5 out of 10, for what he may combine continuous assessment and final synthesis test.

The grading in Continuous Assessment activities is non-recoverable in the first exam attempt. If the student chooses not to carry out the continuous assessment tasks, he can only get the points in the final test (7 maximum over 10) and he needs to get a 5 out of 7 in this test to pass the course. Failure to pass the final synthesis test, the mark to be included in the certificate shall be determined from the weighted sum of the scores on continuous assessment and final synthesis test without, in no case, exceed 4.5 (fail).

However, in the second exam attempt, students may keep the evaluation system of the first exam attempt or base their mark on a single final exam.

## REFERENCES

### Basic

- Economía, N.G.Mankiw and M.P. Taylor (2017), 3ª Edición. Ed.Paraninfo
- Fundamentos de Economía, P. Krugman, R. Wells and K. Graddy (2014), 3ª edición. Ed. Reverte.
- Principios de Economía, N.G.Mankiw, (2012) 6ª edició. Ed. Paraninfo
- Economics, N.G.Mankiw and M.P. Taylor (2017), 4th edition. Cengage Learning



### Additional

- Economía, Samuelson & Nordhaus, (2010) 19ª edició. Ed. McGraw Hill
- Introducción a la Economía: Teoría y Práctica, Blanco, J. M. y J. Aznar, (2001) 3ª edició. Ed. McGraw-Hill. 2001
- Macroeconomía, N.G.Mankiw (2009), 6ª edició. Ed. Antoni Bosch
- The Economy, The CORE team. <https://core-econ.org/the-economy/book/text/0-3-contents.html>

## ADDENDUM COVID-19

**This addendum will only be activated if the health situation requires so and with the prior agreement of the Governing Council**

### 1- Contents:

The contents provided in the course guide do not change.

However, the contents would be reduced If the academic year will be shortened. In particular, the sections 6.4 of topic 6 and 9.3 of topic 9 will be eliminated; besides, the short-term analysis in topic 8 would be briefly explained.

### 2. Workload

The distribution of hours of the activities described in Workload section of the course guide would be modified: hours assigned to Teamwork activities and Attendance at events and external activities will be transferred to Individual activities (8 hours) and Resolution of online quizzes (4 hours).

### 3. Teaching methodology:

The teaching methodology provided in the course guide would be broadly maintained.

However, if the theoretical classes could not be face-to-face classes, professors would use alternative teaching online tools, such as:

- Materials posted in the virtual classroom: spoken slides or videos with recorded classes.
- Videoconferences (synchronous or asynchronous), mostly through the BB Collaborate platform,
- Chats / forums, previously announced as news in the AV



#### 4. Evaluation

The assessment percentages established in the course guide for continuous assessment (30% of the mark) and the synthesis test or final exam (70% of the mark) is maintained.

If a face-to-face final exam could not be taken at the end of the semester, the type of exam described in the course guide would change. In this case, the final synthesis test will consist of several theoretical and practical questions that will be carried out using the tools provided by the AV (quizzes and / or tasks).

Data may be modified to generate several versions of statements for different students, preserving the homogeneity of the planned test. The possibility of students being connected via BB Collaborate videoconference with the camera activated and the microphone muted is contemplated.

#### 5. References

References of the course guide are maintained.