



COURSE DATA

Data Subject

Code	36103
Name	Introduction economics I
Cycle	Grade
ECTS Credits	6.0
Academic year	2022 - 2023

Study (s)

Degree	Center	Acad. Period year
1316 - Degree in Economics	Faculty of Economics	1 First term

Subject-matter

Degree	Subject-matter	Character
1316 - Degree in Economics	3 - Economics	Basic Training

Coordination

Name	Department
HUGUET ROIG, ANA	10 - Economic Analysis

SUMMARY

Introductory Economics falls into the subject of economics which, as a foundation subject type, is lectured in the first term of the first year in the degree of Economics. This subject encompasses *Introductory Economics I*, and *Introductory Economics II*, the teaching of the former corresponding to the first semester and the latter to the second one.

Total ECTS credits of *Introductory Economics I* are 6 credits and the main aims of this subject are, first, to get the student acquainted with topics generally covered by this discipline and, second, to introduce them to the way in which economists think to analyse real world problems and proceed to propose solutions for these problems.

The contents of *Introductory Economics I* are related with and continued in the courses of *Microeconomics I* (compulsory, 6 ECTS, which is lectured in the second year, first term); *Game Theory And Strategic Behaviour* (compulsory, 6 ECTS, which is lectured in the second year, first term); *Microeconomics* (compulsory, 6 ECTS, which is lectured in the second year, second term); *Microeconomics, Markets And Contracts* (optional, 6 ECTS, fourth year); *Industrial Economics* (optional, 6 ECTS, fourth year); and *Labour Economics* (optional, 6 ECTS, fourth year).



At the end of this course students should be able to discuss economic issues applying the analytic framework developed in the course, read economic literature and follow current economic debates.

PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

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

Other requirements

The prerequisites that the student needs to successfully address this subject are minimal: a level of basic maths (solving equations with one / two unknowns and basic partial derivatives); familiarity with the graphical analysis; and web information looking up.

COMPETENCES (RD 1393/2007) // LEARNING OUTCOMES (RD 822/2021)

1316 - Degree in Economics

- Show critical thinking skills.
- Have decision-making skills and be able to apply knowledge to practice.
- Be able to learn autonomously.
- Be able to use English in a professional environment.
- Apply the principles of economic analysis (rational decision) to the diagnosis and resolution of problems.
- Understand and apply the scientific method, which involves formulating hypotheses, deducing verifiable results and contrasting them with empirical and experimental evidence.
- Understand the keys to the functioning of market economy, the difference between normative and positive reasoning and between the concepts of equity and efficiency.
- Know and understand the main market failures (public goods and externalities), their private and public solutions and their influence on the environment and natural resources.
- Know and understand the functioning of labour markets and the determinants of unemployment and wages.

LEARNING OUTCOMES (RD 1393/2007) // NO CONTENT (RD 822/2021)

The learning outcomes for the *Introductory Economics I* course are the following:

- To understand and manage the concepts of introductory microeconomics in order to analyze the real world from an economic perspective.



- To obtain analytical skills and economic reasoning to set and understand economic problems.
- To understand how prices work in a modern economy and how the different markets determine the prices.
- To evaluate critically the importance of the different economic problems, as well as to value the policies designed to deal with them and the consequences of these policies for society.
- Being able of using bibliography, to get and understand it on the basis of the theoretic acquired knowledge.
- To understand the fundamentals of economic institutions in international environment context.
- To understand and have the capacity of analyzing nowadays issues individually and in teams.

DESCRIPTION OF CONTENTS

1. Basic principles of economics.

- 1.1 Economics of scarcity and the economic approach.
- 1.2 Basic principles of economics.
- 1.3 Economic models: the circular-flow diagram and the production possibilities frontier.
- 1.4 Microeconomics and macroeconomics.
- 1.5 Positive versus normative analysis.

Basic Bibliography: Economics. Mankiw and Taylor, 5th edition, Ch.1, 2 (pp. 1-32) and 17 (pp. 367-400).

2. Supply and Demand.

- 2.1 Markets and competition: different markets.
- 2.2 The demand curve: concept, and shifts in the demand curve vs. movements along the demand curve.
- 2.3 The supply curve: concept, and shifts in the supply curve vs. movements along the supply curve.
- 2.4 Supply and demand together: the markets equilibrium.
- 2.5 Changes in equilibrium.

Basic Bibliography: Economics. Mankiw & Taylor, 5th edition, Ch.3 (pp. 33-52).



3. Elasticity and its application.

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

Basic Bibliography: Economics. Mankiw & Taylor, 5th edition, Ch.3 (pp. 53-73) and 4 (pp.74-104).

4. Supply, demand and government policies.

- 4.1 Controls on prices.
- 4.2 Taxes on a product.
- 4.3 Elasticity and tax incidence.

Basic Bibliography: Economics. Mankiw & Taylor, 5th edition, Ch.7 (pp. 159-188).

5. Markets and welfare.

- 5.1 Consumer and producer surplus.
- 5.2 Market efficiency.
- 5.3 Deadweight loss of taxation and control prices

Basic Bibliography: Economics. Mankiw & Taylor, 5th edition, Ch.6 (pp. 141-158).

6. The economics of the public sector.

- 6.1 Positive and negative externalities.
- 6.2 Public goods and common resources.
- 6.3 Trade-off between efficiency and equity.

Basic Bibliography: Economics. Mankiw & Taylor, 5th edition, Ch.8 and 9 (pp. 189-230).

7. Production and costs (short term).

- 7.1 Costs considered as opportunity costs.
- 7.2 The production function: returns to scale.
- 7.3 From the production function to the total cost curve.
- 7.4 Short term costs curves.

Basic Bibliography: Economics. Mankiw & Taylor, 5th edition, Ch.5 (pp. 105-122) and 10 (pp-231-241).

**8. Competitive markets and the behaviour of the firm.**

- 8.1 The meaning of competition.
- 8.2 Profit maximization and the supply curve competitive firm.
- 8.3 The supply curve in a competitive market.
- 8.4 Labour market: the competitive firm labour demand.

Basic Bibliography: Economics. Mankiw & Taylor, 5th edition, Ch.5 (pp. 123-140) and 15 (pp. 315-324).

WORKLOAD

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Classroom practices	30,00	100
Study and independent work	50,00	0
Preparation of evaluation activities	10,00	0
Preparing lectures	15,00	0
Preparation of practical classes and problem	15,00	0
TOTAL	150,00	

TEACHING METHODOLOGY

The methodology used, both in theoretical and practical classes, can be described as follows:

- Students should prepare for lectures in advance using the basic bibliography that serves as a basis for theory explanations. The teacher will explain the main contents of the subject and will solve the doubts that the students may have raised during their previous work or during the development of the class. The teacher will be able to combine his explanations with the active participation of the students. The aim is for the student to develop both their capacity for autonomous work (with the work prior to the class) and their capacity for oral and written communication (raising their doubts about the subject in public and/or resolving the questions that are raised).
- For the practical classes, students will previously prepare a set of exercises to be worked on in the classroom. Each student will have to prepare them individually and, later, in class they will be explained and solved, solving any doubt that the previous study may have raised. At the end of each of the topics, the teacher may request some additional exercises that will have to be given to him/her on the date established by the teacher.



EVALUATION

The total rating is broken down as follows:

- 70% of the overall mark corresponds to a final synthesis test, which will consist of theoretical and practical questions.
- 30% of the global mark corresponds to the continuous evaluation of the student based on the activities developed by him/her during the course and on his/her participation and involvement in the teaching-learning process.

The final synthesis test is compulsory and passing it is an indispensable condition for passing the course. If the student does not pass the final synthesis test, the grade in the official record will be obtained from the score obtained in the continuous assessment and in the final synthesis test without, in any case, exceeding 4.5 (failure).

In order to pass the course, the minimum grade in the global calculation must be 5 out of 10. In case of not performing the continuous assessment tasks, the student will only be able to obtain the points of the final test (7 points maximum) and he/she will need to obtain a 5 out of 7 in that test to pass the course in the first call.

Continuous assessment in the first call will not be recoverable. In the second call, up to 2/3 of the continuous assessment can be recovered, that is, up to 2 of the 3 points (out of 10) that the continuous assessment has.

REFERENCES

Basic

- Economía. N.G. Mankiw y M.P. Taylor, 2017, 3ª edición. Ed. Paraninfo.
- Economics. N.G. Mankiw & M.P. Taylor, 2020, 5th edition, Cengage Learning.

Additional

- Economics. Samuelson & Nordhaus, 2014, 19ª ed. (International edition). Ed. McGraw Hill.
- Principles of Economics. Bernanke, Frank, Antonovics and Heffetz 2021, 8ª ed. Ed. McGraw Hill.
- Essentials of Economics. 12th ed. Schiller, B. and Gebhardt, K. 2022, Mc Graw-Hill.
- Introduction to Positive Economics. Lipsey, R. G. & Chrystal, 8th ed. 2004, Oxford University Press.
- Essentials of Economics. Krugman-Wells-Graddy, 2013, 3rd ed. Ed. Reverté Economía.
- The CORE Project Economics, freely available at:
<https://core-econ.org/the-economy/book/text/0-3-contents.html>