

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

<b>Code</b>	36782
<b>Name</b>	Introduction economics I
<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. Period year</b>
1933 - Double Degree in Law and Economics_2022	Faculty of Law	1 First term

**Subject-matter**

<b>Degree</b>	<b>Subject-matter</b>	<b>Character</b>
1933 - Double Degree in Law and Economics_2022	1 - Asignaturas de primer curso	Obligatory

**Coordination**

<b>Name</b>	<b>Department</b>
LAZARO PARDO, NIEVES	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. The main aims of this subject are, first, to familiarise the student with the topics that are 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

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

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)

### 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. 1. Basic principles of economics

- 1.1 Economics of scarcity and the economic approach.
- 1.2 Basic principles of economics: decisions and opportunity cost; interaction between economic agents; how the economy works as a whole.
- 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, 4th edition, Ch.1 and pages 379-384.

## 2. 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, 4th edition, Ch3

## 3. 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, 4th edition, Ch4.

## 4. 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, 4th edition, Ch8.

## 5. 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, 4th edition, Ch.7 and Ch.9.



**6. 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, 4th edition, Ch9, Ch.10 and Ch.11.

**7. 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, 4th edition. Ch6

**8. 8. Competitive markets and the behaviour of yhe 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, 4th edition. Ch6

**WORKLOAD**

ACTIVITY	Hours	% To be attended
Theoretical and practical classes	60,00	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
<b>TOTAL</b>	<b>150,00</b>	

**TEACHING METHODOLOGY**

The methodology used in the subject Introduction to Economics (I), both in theoretical and practical classes, can be described as follows:

- For the theoretical classes the students will prepare in advance the basic bibliography that serves as a basis for the theoretical explanation. 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. In the first call, the continuous assessment 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. Gregory Mankiw y Mark P. Taylor, 2017, 3ª edición. Ed. Paraninfo
- Economics, N. Gregory Mankiw and Mark P. Taylor, 2017, 4th edition, Cengage Learning

### Additional

- Economía, Samuelson & Nordhaus, 2010, 19ª edición. Ed. McGraw Hill
- Principios de Economía, Bernanke & Frank, 2007, 3ª edición. Ed. McGraw Hill
- Essential Economic Principles, Schiller, B., 2006, Mc Graw-Hill.
- Economics, Samuelson, P. & Nordhaus, 2004, Mc Graw-Hill, 18th ed.
- Introduction to Positive Economics, Lipsey, R. G. & Chrystal, 2004, Oxford University Press
- Fundamentos de Economía. Krugman-Wells-Grady, 2015, 3ª edición. Ed. Reverté
- <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**

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### 1. Contents

The contents provided in the teaching guide are not modified. In the event that the number of school weeks in the academic calendar is reduced with respect to previous courses, the subject matter will be reduced in accordance with the number of classes missed. Specifically, the following sections would be eliminated: 6.3 of theme 6 and 8.4 of theme 8.

### 2. Workload

The workload foreseen in the teaching guide remains unchanged.

### 3. Teaching methodology

The teaching methodology foreseen in the teaching guide will be maintained in general terms. In groups where the theory class is online, teachers will use alternative tools to the classroom, such as - Materials posted in the virtual classroom: slide documents (with or without voice-over, depending on the case) or videos with recorded classes. - Videoconferences (synchronous or asynchronous), through BBC, Zoom,... - Chats/forums previously announced as news in the virtual classroom.

### 4. Evaluation

The evaluation percentages foreseen in the teacher's guide for the continuous evaluation (30% of the grade) and the synthesis test or final exam (70% of the grade) are maintained. In the event that it is not possible to take an exam in person at the end of the term, the form of the exam described in the teaching guide will be changed. In this case, the final evaluation test will consist of several theoretical and practical questions that will be carried out using the tools offered by the virtual classroom (questionnaires and/or tasks). Data can be modified to generate several versions of statements for different students, preserving the homogeneity of the planned test. The possibility of students being connected by video conference with the camera activated and the microphone muted is contemplated.

### 5. Bibliography

The bibliography provided in the teaching guide remains unchanged.