

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

Code	44945
Name	Microeconomics
Cycle	Master's degree
ECTS Credits	5.0
Academic year	2021 - 2022

Study (s)

Degree	Center	Acad. year	Period
2242 - M.D. in Economics	Faculty of Economics	1	First term

Subject-matter

Degree	Subject-matter	Character
2242 - M.D. in Economics	2 - Analytic matter-Conceptual	Obligatory

Coordination

Name	Department
RUBIO JORGE, SANTIAGO JOSE	10 - Economic Analysis

SUMMARY

Microeconomic theory is based on a set of consistent assumptions that aim to provide systematic and realistic models of decision making for economic agents that allow us to analyse socio-economic situations such as market allocations, bargaining process or social choice problems. The course introduces the fundamental tools that are need for the analysis of these situations. We first focus on the decision problem of the consumer (consumer theory) with perfect information and then we turn to stochastic environments and introduce the most fundamental results of the theory of decision under risk and uncertainty. These tools lay the foundations for the analysis of the most fundamental market model, the perfectly competitive market model that is analysed from a general equilibrium perspective. The course is closed with the presentation of the main results of welfare economics that are followed by the basics of the social choice theory.



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 not additional requirements to those that are established for the enrollment in the Master.

OUTCOMES

2242 - M.D. in Economics

- Students should apply acquired knowledge to solve problems in unfamiliar contexts within their field of study, including multidisciplinary scenarios.
- Students should be able to integrate knowledge and address the complexity of making informed judgments based on incomplete or limited information, including reflections on the social and ethical responsibilities associated with the application of their knowledge and judgments.
- Students should communicate conclusions and underlying knowledge clearly and unambiguously to both specialized and non-specialized audiences.
- Students should demonstrate self-directed learning skills for continued academic growth.
- Students should possess and understand foundational knowledge that enables original thinking and research in the field.
- Develop time management skills for learning: skills for organisation, planning and decision making in the process of learning advanced economics.
- Develop a critical capacity, show a research concern and interest in the field of economy, specialise in the use of bibliographical materials, in the use of economic databases and econometric, mathematical and statistical software. Also, learn to adequately disseminate research findings through scientific articles and presentations in congresses.
- Gain the capacities of abstraction and logical reasoning that are essential for the creation of economic models: ability to express oneself using formal, graphic and symbolic languages, to apply analytical and mathematical methods to economics, and to relate and manipulate concepts according to a purpose.
- Acquire linguistic and technological skills: ability to use English in the scientific field of economics and to use ICT in the field of economic study and research.
- Acquire social skills to work in a team: capacity to coordinate activities, ethical and responsible commitment, leadership and mobilisation capacity, all of which are important for economic and team management.



- Know how to promote, in academic and professional contexts, technological, social or cultural progress in a knowledge-based society that is founded on the respect for: (a) fundamental rights and the principles of equal opportunities for men and women, which involves using an inclusive and egalitarian language that promotes the visibility of women; (b) the principles of equal opportunities and universal accessibility for people with disabilities, and (c) the distinctive values of a culture of peace and democratic values.
- Communicate orally and in writing using an inclusive and egalitarian language.
- Know how to identify the relevant market and the competition model that is best suited to the strategic behaviour of the agents in the market.
- Know the role of the state in the analysis of markets and institutions.
- Know how to analyse the models of imperfect competition in the markets, both under certainty and under imperfect and incomplete information.

LEARNING OUTCOMES

Competences and skills that will be acquired

General competencies:

- This course familiarizes the student with an appropriate set of tools for economic analysis;
- Set up and solve the most common decision problems economic agents face;
- Autonomous and group learning;
- Analyze economic problems with precision and rigor;

Specific skills:

At the end of the course, students should be able to:

- Analyse rigorously the models of decision-making by economic agents;
- Analyse prices as a mechanism of coordination of individual economic agents' decisions;
- Analyse the determinants of demand for goods and services;
- Analyse the choice of economic agents under uncertainty;
- Analyse the allocation efficiency of markets;
- Understanding social welfare problems and collective decision-making procedures;



- Understand and analyse potential conflicts of interest between individual and collective decisions in the markets;

DESCRIPTION OF CONTENTS

1. Consumer Theory

- 1.A The preference ordering
- 1.B The feasible set
- 1.C The consumption decision
- 1.D The comparative statics of consumer behavior

2. Consumer Theory: Duality

- 2.A The expenditure function
- 2.B The indirect utility function, Roy's identity and the Slutsky equation
- 2.C Measuring the benefits of price changes
- 2.D Revealed preference

3. Choice under Uncertainty

- 3.A Choice under uncertainty
- 3.B Properties of the utility function
- 3.C Measures of risk
- 3.D The insurance decision

4. General Equilibrium Theory

- 4.A Exchange economies
- 4.B The Walrasian equilibrium
- 4.C The fundamental theorems of welfare economics
- 4.D Arrow's impossibility theorem
- 4.E Production economies



WORKLOAD

ACTIVITY	Hours	% To be attended
Theory classes	40,00	100
Classroom practices	10,00	100
Study and independent work	75,00	0
TOTAL	125,00	

TEACHING METHODOLOGY

The course is organized in theoretical and practical classes that are dedicated to the resolution of exercises of the questionnaires. For its part, the student must solve individually or in group a set of problems corresponding to the different questionnaires. The subject materials (class notes and questionnaires) will be available in the virtual classroom. In the practical classes, the teacher will invite the students to participate in the resolution of the exercises.

EVALUATION

The grade of the first call will correspond to 20% with the grade obtained from the resolution of the problem sets, 30% with a middle-term exam and 50% with the final exam. Continuous evaluation activities are recoverable. The solution of problem sets is not a prerequisite to attending the exam. The final exam will cover the theoretical and practical contents of the whole subject. The type of questions in both exams will be selected so that the total score of different questions reflects the attendance activities corresponding to the workload specified in this guide.

The grade of the second call will correspond to 100% with the grade obtained from the completion of a written exam. The exam will cover the contents of the theoretical and practical classes, and the type of questions will be selected so that the total score of different questions correspond to the volume of work devoted to the theory classes and classroom to the theory classes and classroom practices.

REFERENCES

Basic

- Gravelle, Hugh and Ray Rees (2004). Microeconomics, 3rd ed., Prentice Hall/Financial Times.
- Perloff, Jeffrey (2017). Microeconomics: Theory and Applications with Calculus, 4th Global ed., Pearson Education



Additional

- Jehle, Geoffrey A., and Philip J. Reny (2011). *Advanced Microeconomic Theory*, 3rd ed., Pearson Education.
- Kreps, David (2013). *Microeconomic Foundations*, Princeton University Press.
- Rubinstein, Ariel (2012). *Lectures Notes in Microeconomic Theory: The Economic Agent*, 2nd ed., Princeton University Press.
- Varian, Hal R. (1992). *Microeconomic Analysis*, 3rd ed., W.W.W. Norton & Co. Existe traducción al español: *Análisis Microeconómico*, 3ª ed., Antoni Bosch, 1993.
- Muñoz-García, Félix (2017). *Advanced Microeconomics Theory. An Intuitive Approach with Examples*, MIT Press.
- Nicholson, Walter, and Christopher Snyder (2017). *Microeconomic Theory: Basic Principles and Extensions*, 12th ed., Cengage.
- Nechyba, Thomas J. (2011). *Microeconomics: An Intuitive Approach with Calculus*, South-Western Cengage Learning.
- Serrano, Roberto and Allan M. Feldman (2017). *A Short Course in Intermediate Microeconomics with Calculus*, Cambridge University Press.
- Mas-Colell, Andreu, Michael D. Whinston and Jerry R. Green (1995). *Microeconomic Theory*, Oxford University Press.

ADDENDUM COVID-19

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

This academic guide might need to be modified in order to adapt to the evolution of the ongoing Covid-19 pandemic. Since this evolution is uncertain as of today, any required change in teaching methodology and evaluation will be announced in due time. Such changes will be proportionate to any restrictions imposed on the university.

In case of lockdown, teaching methodology will likely move to either a fully on-line or a hybrid system.

In case of lockdown, evaluation will be changed as little as possible from its description in the academic guide. Such changes will likely involve protocols for appropriate online communication via the available platforms.