COURSE DATA

Data Subject	
Code	44945
Name	Microeconomics
Cycle	Master's degree
ECTS Credits	5.0
Academic year	2023 - 2024

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

Microeconomics study how a society allocates scarce resources among alternative uses through the market mechanism. Microeconomics is often called *price theory* to emphasize the important role that prices play in determining market outcomes. In this course, following a partial equilibrium approach, it is explained how prices are determined in a single market by the decentralized decisions of individuals and firms, and what are the properties that a competitive market equilibrium presents. The course is organized in three parts. The first part is devoted to the consumer theory. This part explains how individuals choose the demand of goods. It includes the analysis of price changes on consumer's welfare and an introduction to the choice under uncertainty. In the second part, the focus is on firms' decisions on the production level to supply in the market. The analysis of the firm's behaviour distinguishes between short-run decisions and long-run decisions. In the final part, it is shown that competition maximizes welfare to ends with the analysis of market failures.

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 the regulation of markets and the implementation of microeconomic policies

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 of market failures and how to regulate them;

• Analyse of the problems that appears when economic agents have asymmetric information;

DESCRIPTION OF CONTENTS

1. Consumer Theory I

1.A Preferences and utility

1.B The feasible set and the consumption decision

1.C The comparative statics of consumer behaviour

1.D The expenditure function

2. Consumer Theory II

2.A The compensated demand function and the Slutsky equation

2.B Measuring the benefits of price changes

2.C Revealed preference and price indices

2.D Choice under uncertainty: the expected utility theory

3. The theory of a competitive market

3.A The production function

3.B Short-run and long-run costs

3.C Short-run competitive equilibrium

3.D Long-run competitive equilibrium

4. Economic efficiency and market failures

4.A The efficiency of competitive markets

4.B Firms with market power: the case of the monopoly

4.C Externalities and public goods

4.D Asymmetric information

VNIVERSITAT ĝ ID VALÈNCIA

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 problem sets. For its part, the student must solve individually a set of problems corresponding to the different problem sets (homework). 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 mark of the first call will correspond to 10% with homework, 20% with the partial exam and 70% with the final exam. Continuous assessment activities are recoverable. Homework is not a requirement to be able to attend the exams. The final exam will cover the theoretical and practical contents of the entire subject and to pass the subject, the student must obtain a minimum of 30% in the final exam. The type of questions in both exams will be selected in such a way that the total score of the different questions reflects the face-to-face activities corresponding to the workload specified in this guide.
The mark of the second call will correspond to 100% with the mark 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 the different questions corresponds to the volume of work dedicated to theory and classroom classes to theory and practical classes in classroom.

REFERENCES

Basic

- Gravelle, Hugh and Ray Rees (2004). Microeconomics, 3rd ed., Prentice Hall/Financial Times. [G&R]
- Perloff, Jeffrey (2020). Microeconomics: Theory and Applications with Calculus, 5th Global ed., Pearson Education. [P]

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.

- 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.

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- Osborne, Martin J., and Ariel Rubinstein (2020). Models in Microeconomic Theory, OpenBook Publishers.