

Syllabus

Course: Microeconomics

Credits: 6 ECTS

Program: BBA

Module: Obligatory basic course

Subject: Microeconomics

Code: 802503

Abbreviation: MA06

Subject Coordinator: Dr. Samer Ajour

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01 Faculty

01.1 Subject coordinator

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02 Description

02.1 Introduction

Microeconomics in market economies (capitalistic mode of production) analyzes the activities and choices of households, firms, and the government over scarce resources. The classes will help students to obtain basic theoretical knowledge of the economic principles such as the concept of markets, prices, the laws of demand and supply, allocation of resources, costs structure and efficiency, market structures, income distribution, and the theory of businesses decision-making processes linking efficient use of resources to marketing and consumer choices. The course will rely on the application of theoretical terms and concept to practice by using up-to-date professional articles, case studies, and real-life examples of current problems and public policies.

Overall, the course will provide students with better understanding of tradeoffs, efficiency, profitability, and social responsibility through the development of intellectual abilities and critical thinking in microeconomics.

02.2 Relevant Professional applications

The Microeconomic course provides theoretical knowledge and practical tools to understand and relate the various objectives of an organization, and their ties to the general mission and vision. It aims to form professionals who are ready to start and manage their own business or manage and lead companies and other public or private organizations. The application of microeconomic models will aid students to make suitable decisions in challenging situations and be capable to use and manage available economic resources efficiently.

03 Competencies

03.1 Specific Competences

- CEECO01 – Critical interpretation and evaluation of economic cycles and structures of a specific geographic area.
- CEECO02 – Understanding and analytical use of economic terms and concepts; development of critical and reflexive analytical methods to conceptualize the material and understand its practical applications.
- CEECO03 – Knowledge of basic microeconomic concepts and rules and their application on International and Spanish economy.
- CEECO04 – Conceptual knowledge and understanding of how the economy works.
- CEECO05 – Understanding the decision-making processes of different economic agents based on microeconomic reasoning.
- CEECO06 – Obtain basic economic knowledge in order to understand relevant legal and sociopolitical concepts of business administration adequate to a BBA graduate.
- CEECO07 – Manage analytical tools in economics in order to facilitate the understanding of concepts used in other materials
- CEECO08 – Application of theoretical knowledge and analytical methods & tactics in the resolution of economic exercises and problems.
- CEECO09 – Teamwork.

03.2 General Competences

- CG03 – Provide students with the capacity to adapt to dynamic teams and environments
- CG04 – Provide students with the capacity to create their own integral vision of the operation of a business project based on economic principles.
- CG10 – Provide students with the capacity to take complex decisions and carry out negotiation processes in a globalized business environment furthering sustainable businesses and social well-being.

04 Program

Part I. INTROCUDTION

Unit 1. Microeconomics

Choice over scare resources. Prices and markets. Models

Unit 2. The basic elements of supply and demand

Market behavior. Elasticity of supply and demand. Government intervention through price control

Part II. CONSUMER BEHAVIOR

Unit 3. Consumer behavior.

Preferences. Indifference curves. Marginal value of substitution. Utilities. Budget constraint. Rational choice. Chosen preferences. Cost of living.

Unit 4. The theory of demand

Individual demand curve. Effect of price change. Income effect on demand. Engel curve – normal goods and inferior goods. Market demand. Elasticities

Unit 5. Consumer behavior and uncertainty

Definition of risk. Risk preferences. Reducing risk. Demand for risky assets.

Part III. FIRMS' BEHAVIOR

Unit 6. Companies and their production decisions

Production functions. Variable cost (short term). Average and marginal cost. The law of diminishing return. Variable cost on the long run Marginal analysis and substitution effect. Production possibility curve: special cases. The effect of scale

Unit 7. The cost of production

Short run cost. Long run cost of firms and optimum choice. Expansion. Economic of scale and scope. Learning curve

Pat IV. MARKETS

Unit 8. Market structure and power

Monopolies. The market power of monopolies. Origen of monopoly power. Social cost of monopoly power

Unit 9. Price makers as market power

Consumer demand and diminishing utility. Price discrimination. Intertemporal price discrimination. Price setting by utility and need. Sales of substitute and complementary goods. Promotion.

Unit 10. Monopolistic competition and oligopolies

Monopolistic competition. Oligopolies. Price-based competition. Prisoners' dilemma. Cartels.

Unit 11. Game theory and competitive strategy

Game theories. Dominant strategies. Nash equilibrium. Tet-a-tete and sequential games. Credibility, collusion and threats. Auctions

Unit 12. Markets with asymmetric information

Uncertainty of quality. Signs of market. Moral risk. Agent and principle problem.

Unit 13. Resource markets

Capital markets (technology and innovate on) and marginal product value

Unit 14. Sustainability and environment in the company

Sustainability of firms and business activity connected to the environment

Unit 15. Application of Corporate Social Responsibility in the microeconomic to ensure a better sustainable community and continuity in the awareness of its importance.

05 Teaching Method

Taking into account the theoretical and practical subject characteristics and the student profile, teaching praxis has been articulated around four methodology groups:

- ME1.** Interactive class presentations
- ME3.** Independent work
- ME4.** Case study/problem solving based learning
- ME7.** Assessment

06 Learning Activities

According to the learning outcomes defined and consistent with the teaching methodologies proposed, the following training activities are scheduled:

Evaluation activities	Hours	On-site delivery
AF1. Content exposition with student participation	24	100%
AF2. Problem solving exercises and case studies with student participation	24	100%
AF4. Study and preparation of teaching units	44	0%
AF5. Completion of exercises and case studies	25	0%
AF6. Systematic resolution of problems	25	0%
AF13. Written / oral evaluations	8	100%

07 Assessment

07.1 General Terms of Assessment

Assessment $0.50 \cdot EV1 + 0.30 \cdot EV2 + 0.20 \cdot EV3$	Assessed Specific skills	Weight
EV1. Final written exam on the full course content	CEECO01 CEECO02 CEECO03 CEECO04 CEECO05 CEECO06 CEECO07 CEECO08 CEECO09	40%
EV2. Mid-term written exam	CEECO01 CEECO02 CEECO03 CEECO04 CEECO05 CEECO06	20%

	CEECO07 CEECO08 CEECO09	
EV3. Assignments, Tests, and Participation	CEECO01 CEECO02 CEECO03 CEECO04 CEECO05 CEECO06 CEECO07 CEECO08 CEECO09	40%

"The maximum grade that students will be able to obtain in the revaluation tests [...] shall be 5,0. In addition, "the grade of the revaluation tests shall in any case constitute the final grade of the subject". Thus, **only students who, having completed the midterm exam, the final exam and having carried out 100% of the continuous evaluation activities of the subject**, and have suspended (final grade of the subject below 5) will be entitled to the revaluation examination.

o8 Learning Resources

Subjects	Resources	Type
Units 1 – 13	Book, Class Slides, Notes and Exercises	Classes and Blackboard

09 Code of Academic Conduct

The section 27.2 of the Universal Declaration of Human Rights stipulates that everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author.

Thus, the moral and patrimonial rights of the authors of literary, musical, artistic, scientific and academic creations, whether they have been published or not, are protected by means of different national and international regulations. In the case of Spain, the Legislative Royal Decree 1/1996, of April the 12th, approved the consolidated version of the Law of Intellectual Property, regularizing, clarifying and harmonizing the legal provisions for the time being in force on this matter.

In this respect, special attention must be given to previously obtaining the corresponding authorization from the owner of the copyrights of any material, particularly before its distribution to the students and by means of the virtual campus. EAE Barcelona takes no responsibility for the non-compliance with this rule on the part of the users, either members of the teaching community or students.

The following materials that can be duplicated without the requirement of previous authorization:

- Laws and regulations.
- Court decisions.
- Acts, agreements, deliberations and decisions from public bodies.
- Any material distributed under the Creative Commons license, whenever its author and credits are mentioned.
- Any material published under the ISBN of EAE Barcelona or EAE Madrid.
- Any material, whose rights belong to EAE Barcelona or EAE Madrid.
- Any work that is in the public domain.

Furthermore, the quotation right is the inclusion of extracts from protected documents or materials, in this particular case, elaborated by the members of the teaching community- with the exception of textbooks and university handbooks- when such extracts are used to accompany educational activities.

The excerpts that can be used on the basis of the quotation right must fulfil the following requirements

- They must be previously published works.
- The source and author must be mentioned, whenever it is possible.
- They must deal exclusively with the teaching field.
- The inclusion of the excerpt must necessarily come with an analysis or explanation of it.

Concerning the material elaborated by the professors, in case it has been published previously, the agreements with the magazine or publication where it appeared must be taken into account.

As is apparent from the preceding paragraphs, plagiarism is a fraudulent activity that may result in serious sanctions, both of academic and legal nature. Academic honesty is one of the pillars on which the School's commitment to education is based, and the members of its teaching community are particularly conscious and prepared to perceive this kind of actions. Keeping in mind the difficulty that arises when trying to conceptualize plagiarism, it has been considered appropriate to delimitate clearly its contents and significance in these regulations and policies.

Plagiarism is understood as the appropriation of someone else's works, pretending that they are one's own; that is to say, without explicitly confirming its source. Plagiarism can consist on the complete or partial unauthorized copy of someone else's work, or the presentation of a copy as an original own work, impersonating the true author. Some examples of plagiarism are:

- Presenting someone else's work as one's own, regardless of whether the copy is complete or partial.
- Paraphrasing a text using different words, with small changes in the language, without quoting the source in order to feign.
- Purchasing or obtaining a work and presenting it as one's own.
- Using someone else's ideas or sentences as the basis to write a work without quoting its author.

In line with the section 10 of the Academic Code of Conduct of Students of EAE Barcelona, without prejudice to the academic sanctions resulting from its application, the Academic Commission will promote the pertinent legal actions if the plagiarism violates the applicable regulation in matters of intellectual property.

10 Bibliography

10.1 Basic Bibliography

- Pindyck, R., & Rubinfeld, D. (2021). *Microeconomics GE*. Pearson Limited.

10.2 Complementary Bibliography

- Curtis, D., & Irvine, I. (2021). *Principles of Microeconomics, 2021A version* (Lyryx).