Principles of Economics

STUDENTS ARE EXPECTED TO HAVE COMPLETED

- Elementary calculus: percentages, rule of three and basic simplifications of quotients (also sums, substractions, multiplications and quotients).
- Solution of linear equations with one unknown.
- Solution of two linear equations with two unknowns (by substitution).
- Plot of linear equations in 2D graphs. Relationship with solutions to two linear equations with two unknowns.
- Graphic interpretation of the slope of a line.
- Computing elementary areas (triangles and rectangles).

COMPETENCES AND SKILLS THAT WILL BE ACQUIRED AND LEARNING RESULTS.

The subject Principles of Economics introduces the student into the rudiments of economic analysis so she (he) can start to thinking as an economist. To achieve this, a complete overview of the economic system is given. It is explained how individual agents relate to each other (consumers and producers) and how their interactions in the market give rise to economic aggregates at the macro level (production of goods and services, price levels, distribution of income). Emphasis is placed on consumer choice (demand) and producer supply in an institutional framework (laws and governments) conditioning their decisions and facilitating exchange relations.

Skills
- Identify, organize and analyze relevant economic information in a critic and systematic way.
- Clearly state economic problems assessing their scope and advancing viable solutions.
- Understand the relationship between economy and society in a world strongly influenced by technological progress and climate change.

Attitudes
- Respect for economic facts as a basis for decision making both in private and public policies.
- Interest in other persons’ ideas and willingness to express own opinions with grounds on empirical references.
- Enthusiasm to take advantage from training and entrepreneurship opportunities throughout professional life.

DESCRIPTION OF CONTENTS: PROGRAMME

The syllabus of Principles of Economics aims to introduce the students to the fundamentals of economic analysis, distinguishing between microeconomics and macroeconomics.

I. MICROECONOMICS

1. The demand function. Marginal utility and individual demand. The aggregated demand.
2. The supply curve. Marginal costs and supply of products by the individual firm. Aggregate supply. Movements along and shifts of the supply curve. Elasticity of demand and supply.
4. Market intervention and effects on welfare: price controls, quantity controls, taxes and subsidies.

II. MACROECONOMICS

7. Macroeconomic aggregates. GDP: definition and measurement.
14. Summary, review and preparation of the final exam.

LEARNING ACTIVITIES AND METHODOLOGY
The teaching methodology is based on two types of sessions:
1. Master classes, where the subject is given with graphical support (slides). To facilitate learning the students have access to audiovisual materials and basic texts of reference to complete and deepen the topics explained in class.
2. Practical classes to smaller groups of students, where they can take a more active part in solving the proposed exercises. In these classes students participation and solving of problem sets are graded (continuous assessment). Student participation in class enables them to analyze problems and communicate solutions, encouraging the exchange of opinions.

ASSESSMENT SYSTEM
The continuous assessment evaluates student participation, solving of problem sets and answering to questions in practical classes and on-line evaluation; it amounts to 40% of the final grade. The remainder of the grade is based on a final exam.
A necessary requirement to pass is a minimum grade of 3,5 out of 10 in the final exam.

% end-of-term-examination: 60
% of continuous assessment (assignments, laboratory, practicals...): 40

BASIC BIBLIOGRAPHY
- Mankiw, N. Gregory Principios de Economía, Thomson Paraninfo, 6ª edición, Madrid, 2010
- Paul krugman, Robin Wells y Kathryn Graddy: Fundamentos de Economía, Reverté, 2ª Edición, 2012
- Stiglitz J.: Macroeconomía, Ariel, 2004