

Academic Year: (2018 / 2019)

Review date: 08/05/2018 17:46:28

Department assigned to the subject: Economics Department

Coordinating teacher: ROMERO MEDINA, ANTONIO

Type: Compulsory ECTS Credits : 3.0

Year : 1 Semester : 1

OBJECTIVES

- Understand the functioning of markets.
- Being able to work with mathematical functions that capture the behaviour of economic agents.
- Being able to develop models about the behaviour of economic agents.
- Being able to state hypotheses from problems' description based on the analyzed models.
- Being able to state and discuss the consequences of the market interventions in a clear, schematic way.

DESCRIPTION OF CONTENTS: PROGRAMME

- Introduction. Scarcity and resource allocation.
- Household Economics: Preferences, utility function, budgetary restriction, consumer choice, individual demand, duality in consumer theory, income and substitution effects, aggregate demand and the agricultural HH model.
- Choice under uncertainty.
- Production and Cost Theory: Production function. Cost minimization: Inputs demand, cost function. Profit maximization: Supply function.
- Competitive Markets: Equilibrium and welfare.
- Strategic Interaction and Market Power
- Markets with Asymmetric Information. Hidden characteristics: Adverse Selection. Hidden characteristics: Signaling. Hidden actions: Moral Hazard.

LEARNING ACTIVITIES AND METHODOLOGY

Acquire theoretical knowledge through:

- Master classes where theoretical and practical key concepts are developed in order students acquire them. Students will be provided with class notes and problem sets. Likewise, main references and complementary bibliography will be provided to go deeper into those topics in which students are more interested.

- Resolution of problems by the professor, promoting active participation of students in solving such problems, individually and/or in groups. Exercises will be solved during master classes.

Acquire abilities and skills through:

- Resolution by students of problem sets to be handed in every week. The aim will be to assess students' knowledge and to acquire the skills needed.

ASSESSMENT SYSTEM

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

Continuous assessment accounts for a 40% of the final grade. It will be based on:

- Resolution of problem sets: 20%. To be handed in every week. Professor will give them back corrected and with comments. Cooperation is encouraged, but they should be written up individually.
- Mid-term exam: 20%. The mid-term exam will consist of theoretical and practical questions to assess how the student has acquired the main competences.

Final exam accounts for a 60% of the final grade. The final exam will consist of theoretical and practical questions to assess how the student has acquired the main competences.

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

In accordance with current legislation.

BASIC BIBLIOGRAPHY

- Jehle & Reny Advanced Microeconomic Theory, Addison-Wesley.
- Varian Microeconomic Analysis, W. W. Norton.