

Academic Year: (2019 / 2020)

Review date: 12/04/2018 13:15:16

Department assigned to the subject: Economics Department

Coordinating teacher: ROMERO MEDINA, ANTONIO

Type: Compulsory ECTS Credits : 6.0

Year : 2 Semester : 1

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.

1. INTRODUCTION. The basic economic problem: scarcity and pure interchange. Microeconomics and Macroeconomics. Normative and positive economics. Opportunity cost and comparative advantage.

SECTION 1: MICROECONOMICS

2. The demand function. Marginal utility and individual demand. The aggregated demand.

Movements along and shifts of the demand curve.

3. 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 equilibrium. Efficiency and equity in the market: consumer and producer surplus.

5. Market intervention and effects on welfare: price controls, quantity controls, taxes and subsidies.

6. Market failures I: Imperfect competition (monopoly, oligopoly and monopolistic competition).

Asymmetric information: moral hazard and adverse selection.

7. Market failures II: Externalities and public goods.

SECTION 2: MACROECONOMICS

8. Macroeconomic aggregates. GDP: definition and measurement.

9. Savings and Investment. Labour Market. Consumer Price Index and Inflation.

10. Money. Financial and monetary systems. The Central Banks and monetary policies. Money and inflation.

11. Open economies. Trade balance and international capital flows. Nominal and real exchange rate.

12. Economic fluctuations. Aggregate demand and aggregate supply. Short run and long run.

13. Fiscal policy. Multiplier and crowding out. Monetary policy, interest rate and aggregate demand. Debate on the adequacy of active economic policies.

14. Summary, review and preparation of the final exam

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