Economics for Business

Academic Year: (2020 / 2021) **Review date: 08-07-2020**

Department assigned to the subject: Business Administration Department

Coordinating teacher: BARROSO LUDEÑA, ALICIA

Type: Compulsory ECTS Credits : 3.0

Year : 1 Semester : 1

REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)

Not required.

OBJECTIVES

Skills to be acquired

General skills
*CG2: Effective knowledge of other disciplines / techniques used in Marketing and Market Research.
Specific skills:
*CE1: To understand the fundamental concepts of microeconomics and business economics, as well as the application of these instruments to understand the environment in which an economic-business organization operates.
*CE10: Analysis, evaluation and decision making on pricing (traditional methods, and scientific techniques)

Learning objectives
¿ Introduce the fundamentals of micro and macro economic theory
¿ Understand the basic analytical economics skills for sound business decisions.
¿ Apply economic theory and methodology to business problems.

DESCRIPTION OF CONTENTS: PROGRAMME

Part I: Principles of microeconomics. Consumers and firms behavior in competitive markets: supply and demand. Market equilibrium under perfect competition. Imperfect competition: monopoly oligopoly, monopolistic competition. Multi-attribute models. Game-theoretic notions and their role in industrial economics.

Part II: Economics of the firm. Decision-making: rationality and cooperation. Specialization and Exchange: Transaction costs and incomplete contracts. Coordination of economic activities: boundaries between firms and markets. Vertical integration, hybrid forms and relational contracts. Incentives in organizations: internal company structure, distribution of power and incentives, agency theory. Ownership and control of the company: moral hazard and incentive systems efficient. Companies and institutions.

LEARNING ACTIVITIES AND METHODOLOGY

The subjects will be bimodal 50% (synchronous online teaching in big or aggregate groups, face-to-face teaching in small groups).

Classes may involve lectures, small group exercises, case analyses and discussions. The lectures will serve to establish the conceptual foundations. Practical classes are designed so that students can develop skills and abilities required properly established.

Student contributions are an important part of the course. Students are expected to read assigned materials for each class; attend class, participate and contribute to discussions.

ASSESSMENT SYSTEM

Your final grade will be assigned based on:
Participation in-class, discussion, assignments, quizzes and cases studies: 60%
Final exam: 40%.
In order to pass the subject, students need to meet the minimum passing score of 4 points (out of a possible 10) in the final exam. Students that do not meet the minimum passing grade should retake the subject. If the resit is taken, the above grade criteria also apply.

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

BASIC BIBLIOGRAPHY

- G.Mankiw and M.Taylor Economics 2nd Ed., Cencage Learning, 2011
- Hal Varian Intermediate Microeconomics, 8th Ed. , W.W. Norton & Co., 2010