Principles of Economics

Academic Year: (2022 / 2023) **Review date: 22-09-2022**

Department assigned to the subject: Economics Department

Coordinating teacher: HERNANDO VECIANA, ANGEL

Type: Basic Core ECTS Credits : 6.0

Year : 1 Semester : 1

Branch of knowledge: Social Sciences and Law

OBJECTIVES

The subject Principles of Economics introduces the student into the rudiments of economic analysis so she (he) can start to think 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.

1. Introduction. The basic economic problem: scarcity. Microeconomics Vs Macroeconomics. Technology, population and growth.

I. MICROECONOMICS

2. Scarcity, work and choice.
3. Social interaction and inequality.
4. The firm: Owners, managers, and employees.
5. The firm and its customers.
6. Supply and demand: Price-taking and competitive markets.
7. Markets, efficiency, and public policy.
8. The Labour market: Wages, profits, and employment.

II. MACROECONOMICS

9. Banks, money, and the credit market.
10. Economic fluctuation and unemployment
11. Unemployment and fiscal Policy.
12. Inflation, unemployment, and monetary policy.
13. Technological progress, employment, and living standards in the long run.
14. Inequality or Economics of the environment

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 student¿s 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

DETAILS OF GRADING (PRINCIPLES OF ECONOMICS)
The final grade is determined using two elements: the continuous assessment and final exam. The weights of both in the final grade are respectively 40% and 60% and a minimum of 3 (out of 10) in the final exam is required to pass. In the extraordinary session (June exam), the final grade is determined as the best option between: (1) 40% continuous assessment and 60% final exam with a minimum of 3 out of 10 in the final exam required to pass; and (2) 100% of the grade of the final exam.
FINAL EXAM
There are two final exams: the ordinary session (January) and the extraordinary session (June). In both cases, the exam will consist of a balance set of multiple-choice questions of the Micro and Macro parts.
CONTINUOUS ASSESSMENT
The continuous assessment consists of (A) in-class exercises in the tutorial classes and (B) on-line tests. Skipping any of them will be counted as a zero in the grade formula.
In-class exercises
¿ They are scheduled weeks 5 and 11.
¿ They consist of an exercise chosen randomly by the instructor like the problem sets. The amount of time provided will be just enough to write down the solution and check it once.
¿ The days corresponding to an in-class examination, students should wait for the instructor sitting, with only pen and paper. Those arriving late will not be allowed to enter the exam. They will be allowed into the classroom once the in-class exercise finishes.
¿ The in-class exercise will be graded with letters E to A, with numerical values corresponding respectively to 0%, 25%, 50%, 75% and 100%. The in-class grade will be computed as the mean of the in-class exercises.
On-line tests
¿ They are scheduled weeks 8 and 14.
¿ On-line test will consist of 10 questions with four choices each, only one considered correct. The student has unlimited trials for each test and a time constraint of 8 minutes and a half for each trial. To compute the grade only the best grade of the trials will be considered. The grade includes a compensation for random successes so that 25% successes correspond to a zero grade and a compensation for the time constraint so that 85% of successes correspond to 100 grade (over 100). The grades in between will be calculated proportionally. Empty answers and wrong answers receive the same treatment; thus, you are advised to answer all questions. This means that a student that gets X% of the answers correct get a grade over 100 equals to (X-25)/60 with the constraint that the result must be a number between 0 and 100.
¿ The on-line test grade is computed as the mean of the on-line tests.
¿ All the on-line tests will start at 9am, the Monday of the corresponding week, and end at 2pm, the next Saturday.
¿ IMPORTANT: The aim of the tests is to prepare you for the final exam and provide you with incentives to follow timely the subject. You should take them very seriously. Otherwise, you run the risk of not achieving the minimum 3 (over 10) in the final exam required to pass.
Essay
¿ It is due weeks 12 to 14.
¿ The student should write an essay to be delivered through the macrogroup on Aula Global in accordance with the instructions contained in the task created for this purpose.
Continuous Assessment Grade
All the grades are available in Aula Global under the Grades menu. If you have any complaint with respect to a grade, please submit a request to your instructor in the tutorial class. Complains can only be handle in the seven days immediately after the update of the grade in Aula Global.
The grade of the continuous assessment will be calculated as the weighted average between the grade of the class evaluations (37.5%), the grade of the online evaluations (37.5%) and the essay (25%).

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

BASIC BIBLIOGRAPHY

- -Mankiw, N. G. Principios de Economía, Thomson Paraninfo,, 6th Edition,, Madrid, 2010.
- -Stiglitz J.: Macroeconomía, , Ariel, , 2004
- Paul Krugman, Robin Wells y Kathryn Graddy, Fundamentos de Economía,, Editorial Reverté 2ª edición, , 2012.
- Stiglitz J, and C. E. Walsh: Microeconomía,, Ariel, , 2008.
- https:// www.core-, econ.org/.