

Subject	Code
<b>Microeconomics I</b>	<b>25035</b>

Academic Year	Ciclo	Semester
<b>2003/2004</b>	<b>1</b>	<b>October-February</b>

Group/s	Teachers	Office	E-mail	Phone number
01, 04	Inés Macho	B3-140	ines.macho@uab.es	93-581-1812
03	David Pérez Castrillo	B3-134	david.perez@uab.es	93-581-1405
02, 52	Pau Olivella	B3-142	Pau.olivella@uab.es	93-581-2369

### OFICIAL DESCRIPTOR OF THE COURSE

Rational behavior, Preferences and utility, consumption and demand, intertemporal choice, uncertainty and firm's decisions.

### OBJECTIVE

Study the basic concept of Microeconomics, and carefully analyze the consumer's behavior and the firm's behavior.

### REQUIREMENTS

Métodos Matemáticos de la Economía I. Métodos Matemáticos de la Economía II.

## PROGRAM

### **PART I: INTRODUCTION**

#### **1. Microeconomics**

- 1.1. The aims of microeconomic theory
- 1.2. The economic models

### **PART II: CONSUMPTION THEORY**

#### **2. Utility maximization**

- 2.1. Preferences and indifference curves
- 2.2. The utility functions
- 2.3. The budget constraint
- 2.4. Optimal choice

#### **3. Comparative static on consumer's demand**

- 3.1. Demand function
- 3.2. Changes in income: normal and inferior goods and Engel curves
- 3.3. Changes in prices: Income and Substitution effect and Slutsky
- 3.4. Some applications: Labor supply and intertemporal choice

## **PART III: PRODUCTION THEORY**

### **4. Technology and production functions**

- 4.1. Inputs and outputs
- 4.2. Production function and technical rate of substitution
- 4.3. Marginal and average productivity
- 4.4. Returns to scale

### **5. Profit maximization**

- 5.1. Profit maximization
- 5.2. Factor demand curves
- 5.3. Offer curve for a competitive firm

### **6. Cost curves**

- 6.1. Cost minimization
- 6.2. Cost functions
- 6.3. Marginal and average costs
- 6.4. Long-run and short-run costs
- 6.5. Profit maximization and cost function (long-run and short-run)

### TIME SCHEDULE (THEORY) Total: 28 classes

Chapter 1	1 class	Chapter 4	3 classes
Chapter 2	7 classes	Chapter 5	3 classes
Chapter 3	8 classes	Chapter 6	6 classes

## **REFERENCES**

### TEXT-BOOK

Varian H. (2003): Intermediate microeconomics: a modern approach Norton (sixth edition).

### COMPLEMENTARY REFERENCES

Estrin, S. y Laidler, D. (1995): Microeconomía. Prentice Hall (cuarta edición).  
Frank, R.H. (1992): Microeconomía y conducta. Mc Graw Hill (primera edición).  
Henderson, J.M. y Quandt, R.E. (1979): Teoría Microeconómica. Ariel (cuarta edición).  
Quirk, J. (1976): Microeconomía. Antoni Bosch (primera edición).

### EVALUATION

The evaluation will be based on an exam.

### OFFICE HOURS

PROFESSOR	HOURS
Pau Olivella	Monday from 11.50 to 13.20 and from 15.00 to 16.30
Inés Macho	Monday and Wednesday from 10.20 to 11.50
David Pérez Castrillo	Monday and Wednesday from 10.20 to 11.50