

Microeconomics (UAB, Sabadell)

Francesc Trillas, 2009-2010

Objective: learn i) what is the relationship between the characteristics of goods and the properties of markets; ii) the fundamentals of demand and supply behaviour, and iii) the properties of markets with and without market power.

Programme:

I. PROPERTIES OF MARKETS, CHARACTERISTICS OF GOODS AND PUBLIC INTERVENTION

1. Introduction: rationality, models and markets
2. Externalities and public goods
3. An example of public intervention: taxes. Tax (and subsidy) incidence and optimal taxation

II. CONSUMER THEORY

4. Preferences and Utility
7. Individual Demand
8. Market Demand

III. THEORY OF THE FIRM

9. Profit Maximization and Cost Minimization

10. Supply Functions and Cost Functions

IV. MARKET POWER

11. Perfect Competition in the short run and the long run

12. Monopoly and oligopoly

Bibliography:

Basic Bibliography

-Varian, H. (2007), **Intermediate Microeconomics: A Modern Approach. Third Edition. Norton.**

Lectures and exercises will mostly be based on this book. It is highly recommended that students have regular access to this book, either by using the library copy or by purchasing a copy (individually or by groups) for example through Amazon (www.amazon.co.uk).

Complementary Bibliography (including books in Spanish or Catalan)

-Hal R. Varian, *Microeconomía Intermedia*, Antoni Bosch Editor, 2007, 7ª edición.

-Robert S. Pindyck; Daniel L. Rubinfeld, *Microeconomics*, Pearson, 2005, 6th Edition.

-Frank, Robert H., *Microeconomía y Conducta*, 4ª Edición, McGraw-Hill, 2001.

-Hey, John D., *Microeconomía Intermedia*, McGraw-Hill, 2004.

-Mas-Colell, A.; M.D. Whinston, i J.R. Green, *Microeconomic Theory*, Oxford University Press.

-Nicholson, Walter, *Teoría Microeconómica, Principios básicos y aplicaciones*, 6ª Edición, McGraw-Hill, 1997.

-Silvestre, J., *Microeconomía*, UOC, 2006.

-Perloff, Jeffrey M., *Microeconomía*, 3ª Edición, Pearson, 2004.

-Stiglitz, Joseph E., *Microeconomía*, Ed. Ariel, 2004.

Materials: There will be exercises distributed or proposed in class to the students. The exercises will be solved some days after being proposed or given in class. The students are advised to try to solve them before seeing the solution in class: this is the best practice for the exam.

Office hours:

Office hours for students are announced in the Lecturer's office (number 224, Floor 2).

(Students are requested to write an e-mail to the Lecturer before coming to see him; the e-mail can also be used for doubts or questions: Francesc.trillas@uab.es)

Evaluation:

Evaluation will be based on a **final exam** with two theoretical questions (40% of the qualification) and two exercises (60% of the qualification): all those students who show up in the exam will be evaluated.

The teacher is open to suggestions about complementary evaluations that help to potentially marginally improve upon the grade of the final exam for those students that regularly attend the lectures.

It is strongly advised to **try to do the exercises** before the lecturer presents the solutions in class.