

Fundamentals of Economics and Business I**2012/2013**

Codi: 42140

Crèdits ECTS: 15

Titulació	Pla	Tipus	Curs	Semestre
4310025 Màster Universitari en Economia i administració d'empreses / Economics and Business Administration	990 Màster Universitari en Economia i Administració d'Empreses / Economics and Business Administration	O	1	1

Professor de contacte

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Utilització d'idiomes

Llengua vehicular majoritària: anglès (eng)

Prerequisits

Previous background in Mathematics and Statistics

Objectius

Acquire the core knowledge in Microeconomics, Public Economics and Strategic Management to proceed to other Modules in the Master

Competències

- Apply microeconomic analysis to evaluate the results generated by a market economy.
- Argue the case for and write a precise, clear and concise report of the problems presented in the English language.
- Carry out empirical studies.
- Contextualise economic problems through the use of formal models that enable quantitative analysis.
- Demonstrate an understanding of the concepts of equilibrium and efficiency, and understand their function in economic analysis.
- Demonstrate an understanding of basic consumer and producer theories
- Demonstrate an understanding of market operation in terms of both goods and assets.
- Demonstrate knowledge of the implications of markets being complete or incomplete.
- Distinguish between the elements of industrial strategy.
- Make an assessment of diversification and its comparative advantages.
- Make an assessment of innovation and its comparative advantages.
- Understand academic research in the areas indicated.
- Understand the basics of competitive markets and the Theorems of Social Welfare.
- Use different statistical programs to process data.

Resultats d'aprenentatge

1. Apply microeconomic analysis to evaluate the results generated by a market economy.
2. Argue the case for and write a precise, clear and concise report of the problems presented in the English language.
3. Carry out empirical studies.
4. Contextualise economic problems through the use of formal models that enable quantitative analysis.
5. Demonstrate an understanding of the concepts of equilibrium and efficiency, and understand their function in economic analysis.

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11. Make an assessment of innovation and its comparative advantages.
12. Understand academic research in the areas indicated.
13. Understand the basics of competitive markets and the Theorems of Social Welfare.
14. Use different statistical programs to process data.

Continguts

Microeconomics

Introduction

1. Economic Agents and Decisions

- 1.1. Economic Agents: firms, consumers, institutions and organizations
- 1.2. Decision making and the optimization process
- 1.3. Markets and equilibrium
- 1.4. Decision making under uncertainty.

2. Game Theory Overview

- 2.1. Introduction
- 2.2. Static Games of Complete Information: Nash Equilibrium
- 2.3. Dynamic Games of Complete Information: Backwards Induction and Subgame Perfection

Public Economics

1. Foundations: welfare economics and market failures. Welfare theorems. Second Best. Coase theorem. Efficiency and equity trade-offs.
2. Collective decision making. Social choice and collective action. Cooperation and coordination games. Political economy and public choice. Incentives in the public sector: Niskanen, Buchanan, Dixit, Besley. Political economy & institutional economics
3. Behavioral economics, public choice and welfare economics. Systematic biases in individual behavior. Boundedly rational consumers, firms and regulators.
4. Applications: Governing Globalization, Cost-Benefit analysis, Mega-projects.

Strategic Management

1. **Configuration Function of Strategy;** The policy and strategy concepts. Contents of business strategy. Different levels of strategy and strategic decision. Strategic business unit (SBU). The strategy formulation process.
2. **Strategic Analysis (I): External;** Analysis of the general macro-environment. Analysis of the industry and competitive environments. Intra-industry analysis. Concept and identification of strategic groups and market segments. Identification of key success factors.
3. **Strategic Analysis (II): Internal;** Functional analysis and strategic profile of the firm. Value chain analysis. Internal analysis based on resources and capabilities of the firm.
4. **Business Strategies (I);** Nature and sources of competitive advantages. Analysis of cost and differentiation advantages. Generic competitive strategies.
5. **Business Strategies adapted to different contexts (II);** Strategic development and industry life cycle. Business strategy in different competitive and industrial settings. Innovation strategy.

6. **Corporate Strategies**; Management and direction of strategic growth. Corporate strategies: Diversification, Vertical Integration, Internationalisation, and Strategic alliances.
7. **Strategic Planning**; Strategy evaluation and selection criteria and techniques. Elaboration of a strategic plan.

Metodologia

The module is divided in 3 different subjects taught in parallel.

Each subject will consists of both theory lectures as well as practical activities

Activitats formatives

Títol	Hores	ECTS	Resultats d'aprenentatge
Tipus: Dirigides			
Lectures	75	3	
Tipus: Supervisades			
Essays	55	2,2	
Exercises	75	3	
Readings	75	3	
Tipus: Autònomes			
Individual studying	75	3	

Avaluació

Each subject in the module will follow the same evaluation method:

- Continuing evaluation will consist of assignments, midterms, essays and in-class presentations and participation, and will wieght a 35% of the final grade
- Final evaluation will consist of written exam and/or essay and/or oral presentation, and will weight a 65% of the final grade

Final exams will take place in the dates determined by the Master coordinators as published in the Exams Calendar.

The final grade of the modules of the arithmetic average of the marks of the three subjects

Activitats d'avaluació

Títol	Pes	Hores	ECTS	Resultats d'aprenentatge
Continuing evaluation	35%	11	0,44	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14
Final evaluation	65%	9	0,36	1, 2, 4, 5, 6, 7, 9, 10, 11, 12

Bibliografia

Microeconomics

- **JEHLE, G.A., RENY, P.J.** Advanced Microeconomic Theory. Prentice hall. (3rd. edition). 2011.
- **VARIAN, H.**, Microeconomic Analysis. Norton. (3rd. Edition). 1992.

Public Policies

General

- **Hindriks/Myles** (200), Intermediate Public Economics, The MIT Press.
- **Cullis/Jones** (2009), Public Finance and Public Choice, Oxford University Press. Third edition.
- **Gruber, J.** (2007), Public Finance and Public Policy, Worth Publishers, Second Edition.

Specific

- Specific references will be distributed for every chapter.

Strategic Management

- **GRANT, R.** (2010) *Contemporary Strategy Analysis*, 7th edition, Wiley: London.
- **THOMPSON, A.; STRICKLAND A.J.** (2009) *Crafting and Executing Strategy: Text and Readings*. 17th edition, McGraw-Hill: London.