Microeconomics II			2014/2015

Code: 102336
ECTS Credits: 6

Degree	Type	Year	Semester
2501572 Administració i Direcció d'Empreses	OB	2	2
2501573 Economia	OB	2	2

Contact

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Use of languages

Principal working language: espanyol (spa)

Some groups entirely in English: Yes

Some groups entirely in Catalan: Yes

Some groups entirely in Spanish: Yes

Teachers

Pedro Rey Biel

Antonio Miralles Asensio

Prerequisites

Suggested

Introduction to Economics

Mathematics I and II

Microeconomics I

Objectives and Contextualisation

The aim of the subject is to understand the basic tools for microeconomic analysis and to obtain the ability to apply them.

Among the topics that will be covered:

Markets (competitive and monopolistic), equilibrium, welfare analysis

Skills

Administració i Direcció d'Empreses
- Apply mathematical instruments to synthesise complex economic-business situations.
- Apply theoretical knowledge of finances to improve relations with sources of financing, identifying the different forms of financing and the advantages and disadvantages for the company and the providers.
- Capacity for adapting to changing environments.
- Capacity for independent learning in the future, gaining more profound knowledge of previous areas or learning new topics.

- Capacity for oral and written communication in Catalan, Spanish and English, which enables synthesis and oral and written presentation of the work carried out.
- Demonstrate initiative and work individually when the situation requires it
- Identify the forces that govern demand and supply.
- Identify the processes that govern the operation of markets in different competition systems, different scenarios of interrelationship and different timescales.
- Organise the work in terms of good time management, organisation and planning.
- Select and generate the information necessary for each problem, analyse it and take decisions based on that information.
- Show motivation for carrying out quality work and sensitivity to the consequences for the environment and society.
- Work well in a team, being able to argue proposals and validate or reject the arguments of others in a reasoned manner.

Learning outcomes

1. A capacity of oral and written communication in Catalan, Spanish and English, which allows them to summarise and present the work conducted both orally and in writing.
2. Analyse the determinants of demand.
3. Analyse the determinants of supply.
4. Capacity to adapt to changing environments.
5. Capacity to continue future learning independently, acquiring further knowledge and exploring new areas of knowledge.
6. Consider the effect of the public sector on the activity of companies and consumers.
7. Demonstrate initiative and work independently when required.
8. Demonstrate motivation regarding the quality of the work performed and sensitivity regarding the consequences on the environment and society.
9. Differentiate between different market structures and analyse the effects on the sales and profits of companies, and on the wellbeing of consumers.
10. Differentiate the effects of equilibrium on perfect and imperfect competition.
11. Formulate and solve general equilibrium problems and recognise chains of interdependence.
12. Identify market errors and define the corrective mechanisms of public intervention.
13. Organise work, in terms of good time management and organisation and planning.
14. Recognise the role of uncertainty in the decision-making of consumers and companies.
15. Select and generate the information needed for each problem, analyse it and make decisions based on this information.
16. Solve equilibrium problems and interpret their meaning.
17. Work as part of a team and be able to argue own proposals and validate or refuse the arguments of others in a reasonable manner.

Content

Topic I: Aggregation

I.1 Aggregate demand and supply
I.2 Elasticity
I.3 Consumer and producer surplus

Topic II: Competitive markets

II.1 Market equilibrium
II.2 Stability of the equilibrium: the "cobweb" model
II.3 Comparative statis: tax incidence
II.4 The efficiency of the competitive market

Topic III: Monopoly

III.1 Profit maximization
III.2 Causes, efficiency and regulation of the monopolies
III.3 Price discrimination
III.4 Monopsony

Topic IV: Oligopoly and strategic interactions

IV.1 Cournot equilibrium
IV.2 Bertrand equilibrium
IV.3 Hotelling equilibrium
IV.4 Stackelberg equilibrium
IV.5 Monopolistic competition

Topic V. General equilibrium with pure exchange

V.1 The Edgeworth box
V.2 Pareto efficient allocations
V.3 The walrasian equilibrium
V.4 The fundamental theorems of welfare economics

Methodology

The methodology includes study, preparation and discussion of exercises, text reading, group exercises, lectures and tutorials.

Activities

Title	Hours	ECTS	Learning outcomes
Type: Directed			
Exercises and group discussion	15	0.6	4, 1, 5, 7, 13, 15, 17
Lectures	30	1.2	3, 2, 1, 16
Type: Supervised			
Tutorials	15	0.6	4, 1, 5, 7, 8, 13, 15, 17
Type: Autonomous			
Study, preparation and discussion of exercises	67.5	2.7	3, 2, 4, 1, 5, 7, 8, 13, 16, 15, 17
Text reading	15	0.6	4, 1, 5, 7, 8, 13, 15, 17

Evaluation

The evaluation includes partial course evaluation (40 per cent) and a final exam (60 per cent). For students obtaining a total final grade greater or equal than 4 and below 5, there will be a re-take exam. The grade of the re-take will be qualitative: either pass or no-pass. If the student gets a pass, final quantitative grade will be 5. Otherwise, the final grade will be the grade before the re-take.

On top of other disciplinary measures that are considered adequate, and in line with the current academic rules, any student involved in an irregular activity (that may lead to variation in evaluation activities) immediately leads to a 0 grade. Hence, participation in any copying behavior for any evaluated activity (exam or practice) will imply a fail, with a grade of zero. If the activity is needed to pass the subject, the subject will be

failed. Any activity evaluated according to this disciplinary measure cannot be taken again, and hence the subject may be directly failed without any further chance in the same academic year.

Evaluation activities

Title	Weighting	Hours	ECTS	Learning outcomes
Final Exam	60 %	3	0.12	3, 2, 4, 1, 5, 7, 10, 9, 11, 12, 8, 13, 6, 14, 16, 15, 17
Practices and partial evaluations	40 %	4.5	0.18	3, 2, 4, 1, 5, 7, 8, 13, 16, 15, 17

Bibliography

Varian, H. (1999). Intermediate microeconomics: a modern approach

Extra material:

Estrin, S., Laidler, D. (1995). Microeconomics

Kreps, D., (1990). A course in Microeconomic Theory