

Microeconomics II

Code: 102336
ECTS Credits: 6

Degree	Type	Year	Semester
2501572 Business Administration and Management	OB	2	2
2501573 Economics	OB	2	2

Contact

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Use of languages

Principal working language: spanish (spa)
Some groups entirely in English: Yes
Some groups entirely in Catalan: Yes
Some groups entirely in Spanish: Yes

Teachers

Paula Salinas Peña
Alex Sanz Fernandez
Katerina Chara Papioti
Ivanna Marinova Ferdinandova

Prerequisites

It is recommended that students have already passed the following courses:

Introduction to Economics
Mathematics I and II
Microeconomics I

Objectives and Contextualisation

The aim of this course is to understand the basic tools of microeconomic analysis and to become able to apply them.

The topics that will be covered include:

Markets (competitive and monopolistic), equilibrium, welfare analysis.

Skills

Business Administration and Management

- Apply mathematical instruments to synthesise complex economic-business situations.

- 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 functioning of markets in different competition regimes in different scenarios of interrelation and in different timeframes.
- 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.

Economics

- Apply mathematical instruments to synthesise complex economic-business situations.
- Capacity for adapting to changing environments.
- Capacity for independent learning in the future, gaining more profound knowledge of previous areas or learning new topics.
- 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. Analyze the determinants of demand.
3. Analyze the determinants of supply.
4. Associate the technological structure of the company cost structure and describe the processes of translation.
5. Capacity to adapt to changing environments.
6. Capacity to continue future learning independently, acquiring further knowledge and exploring new areas of knowledge.
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 analyze their effects on sales and corporate profits and consumer welfare.
10. Differentiate the effects of balance in perfect and imperfect competition.
11. Formulate and solve problems of general equilibrium and recognize interdependencies chains.
12. Identify market failures and define the corrective mechanisms of public intervention.
13. Organise work, in terms of good time management and organisation and planning.
14. Recognize the role of uncertainty in the decision making of consumers and businesses.
15. Select and generate the information needed for each problem, analyse it and make decisions based on this information.
16. Solve balances and interpret its meaning.

17. Weigh the impact of public sector on the activity of enterprises and consumers.
18. 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 statics: 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	5, 1, 6, 7, 13, 15, 18
Lectures	30	1.2	1

Type: Supervised

Tutorials	15	0.6	5, 1, 6, 7, 8, 13, 15, 18
Type: Autonomous			
Study, preparation and discussion of exercises	67.5	2.7	5, 1, 6, 7, 8, 13, 15, 18
Text reading	15	0.6	5, 1, 6, 7, 8, 13, 15, 18

Evaluation

The evaluation consists of activities during the course (in the form of partial evaluation), with a weight of 40% and a final exam with a weight of 60%.

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 exam will be qualitative: either pass or no-pass. If the student gets a pass, the final grade will be 5. Otherwise, the student will fail the course and the final grade will be the one existing before the re-take.

A student that does not participate in any evaluation activity will be considered as non-gradable.

Aside of any other disciplinary measures that are considered to be adequate, and in line with the current academic rules, any student involved in an irregular activity that may lead to a variation in the grade in a evaluation activity will immediately receive a 0 grade for that activity. Hence, copying or allowing copying a practicum or any other evaluated activity will imply grade zero in that activity. If it s the case that the activity must be passed in order to pass the course, the whole course will be failed. Any activity graded according to this disciplinary procedure cannot be re-taken, and hence the course will be directly failed without any further chance to pass in the same academic year.

On top of any other disciplinary measures that are considered to be adequate, and in line with the current academic rules, the professor may reduce the average grade obtained in the "partial evaluation activities" by up to 2 points out of 10 to any student who repeatedly does not follow the rules of behavior in class. The professor will announce these rules at the beginning of the course.

Evaluation activities

Title	Weighting	Hours	ECTS	Learning outcomes
Final Exam	60 %	3	0.12	2, 3, 4, 5, 1, 6, 7, 10, 9, 11, 12, 8, 13, 17, 14, 16, 15, 18
Practices and partial evaluations	40 %	4.5	0.18	5, 1, 6, 7, 8, 13, 15, 18

Bibliography

Varian, H. (2014). Intermediate microeconomics: a modern approach, 9th edition, W.W. Norton and Company Inc. (Or earlier edition)

Complementary material:

Morgan, C. W., Katz, M. L., Rosen, S. (2009), Microeconomics, McGraw-Hill Higher Education.

Estrin, S. Laidler, D. Dietrich, M. (2008), Microeconomics, Pearson Education

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

