

Microeconomics III

Code: 102335
ECTS Credits: 6

Degree	Type	Year	Semester
2501572 Business Administration and Management	OT	4	0
2501573 Economics	OB	3	1

Contact

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Use of languages

Principal working language: catalan (cat)
Some groups entirely in English: Yes
Some groups entirely in Catalan: Yes
Some groups entirely in Spanish: No

Teachers

Alex Sanz Fernandez
Katerina Chara Papioti

Prerequisites

It is recommended that students have passed the following courses:

Introduction to Economics

Mathematics I and II

Microeconomics I and II

Objectives and Contextualisation

This course is the last one on the topic of microeconomics and, therefore, its main objective is to go beyond the understanding of basic knowledge by means of the more advanced concepts related to individual decision making and the functioning of markets.

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 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.

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.
- 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.

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. Capacity to adapt to changing environments.
3. Capacity to continue future learning independently, acquiring further knowledge and exploring new areas of knowledge.
4. Demonstrate initiative and work independently when required.
5. Identify market failures and define the corrective mechanisms of public intervention.
6. Organise work, in terms of good time management and organisation and planning.
7. Recognize the role of uncertainty in the decision making of consumers and businesses.
8. Relate the inter-temporal aspects to the processes of decision-making of economic agents.
9. Select and generate the information needed for each problem, analyse it and make decisions based on this information.
10. Weigh the impact of public sector on the activity of enterprises and consumers.

Content

MICROECONOMICS III

Contents

1. Consumer Theory

- a) Preferences and utility function
- b) Consumer behavior
- c) Duality and applications
- d) Variations of prices and welfare analysis

2. Theory of choice under uncertainty

- a) Representation of alternatives under uncertainty: lotteries
- b) Preferences on lotteries
- c) vonNeumann-Morgenstern Expected Utility Theory
- d) Monetary lotteries and risk aversion

3. Theory of the Firm

- a) Technology and production function
- b) The behavior of the firm
- c) Duality and applications

4. General Equilibrium Theory

- a) Pure exchange economies
- b) Economies with production
- c) Welfare theorems

5. Externalities

- a) Positive and negative externalities
- b) Externalities in production and consumption
- c) Market inefficiency
- d) Solutions: creation of markets, taxation, property rights

6. Public Goods

- a) Types of public goods
- b) Efficient provision of discrete public goods
- c) Voting mechanisms
- d) Efficient provision of continuous public goods
- e) Lindhal equilibrium

7. Information Economics

- a) Adverse selection and applications
- b) Moral hazard and applications

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			
Presential teaching	50	2	2, 1, 3, 4, 6, 9
Type: Supervised			
Office hours and follow-up	7	0.28	2, 1, 3, 4, 6, 9

Type: Autonomous

Study. Additional Readings. Preparing exercises. Team work.

87

3.48

2, 1, 3, 4, 6, 9

Evaluation

Evaluation process

The evaluation process will consist of a final examination with a weight of 50%, a practical partial examination with a weight of 30%, and the delivery of several problem sets during the course with a total weight of 20%.

A student that takes part on any of the evaluation activities and turns in the activity for grading cannot be considered for a "Not Evaluable" status.

Schedule of evaluation activities

The dates of the different evaluation activities will be announced well in advance during the semester.

The date of the final exam is scheduled in the assessment calendar of the Faculty.

"The dates of evaluation activities cannot be modified, unless there is an exceptional and duly justified reason why an evaluation activity cannot be carried out. In this case, the degree coordinator will contact both the teaching staff and the affected student, and a new date will be scheduled within the same academic period to make up for the missed evaluation activity." **Section 1 of Article 115. Calendar of evaluation activities (Academic Regulations UAB).**

Students of the Faculty of Economics and Business, who in accordance with the previous paragraph need to change an evaluation activity date must process the request by filling out an Application for exams' reschedule https://eformularis.uab.cat/group/deganat_feie/application-for-exams-reschedule

Grade revision process

After all grading activities have ended, students will be informed of the date and way in which the course grades will be published. Students will be also be informed of the procedure, place, date and time of grade revision following University regulations.

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Retake Process

"To be eligible to participate in the retake process, it is required for students to have been previously been evaluated for at least two thirds of the total evaluation activities of the subject." **Section 3 of Article 112 ter. The recovery (UAB Academic Regulations).**

Additionally, for a student to participate in the retake process, it is required that he or she to have achieved **an average grade of the subject between 3.5 and 4.9.**

The date of the retake exam will be posted in the calendar of evaluation activities of the Faculty.

Students who take this exam and pass, will get a grade of 5 for the subject. If the student does not pass the retake, the grade will remain unchanged, and hence, student will fail the course.

The grading of the retake examination will be qualitative, with two possible results: "pass" or "no pass". If the grade is "pass", the grade will be equal to 5. If the grade is "no pass", the student will not pass the subject and his final grade will be the existing grade prior to the retake examination.

Irregularities in evaluation activities

In spite of other disciplinary measures deemed appropriate, and in accordance with current academic regulations, *"in the case that the student makes any irregularity that could lead to a significant variation in the grade of an evaluation activity, it will be graded with a 0, regardless of the disciplinary process that can be instructed. In case of various irregularities occur in the evaluation of the same subject, the final grade of this subject will be 0"*. **Section 10 of Article 116. Results of the evaluation. (UAB Academic Regulations).**

Standards of behavior

Aside 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 "additional 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	50 per cent	3	0.12	2, 1, 3, 4, 5, 6, 10, 7, 8, 9
Practicum and partial examinations	50 per cent	3	0.12	1, 3, 4, 6, 9

Bibliography

Bibliography

Basic

- Varian, Hal. Microeconomic Analysis. W. W. Norton & Company Inc. Third Edition. 1992
- Jehle, G.A., Reny, P.J. Advanced Microeconomic Theory. Pearson Education. Third edition. 2011

Complementary

- Martinez-Giralt, Xavier. Microeconomia Avanzada. UAB. 2008

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