

Introduction to Economics

Code: 100514
ECTS Credits: 6

Degree	Type	Year	Semester
2500258 Labour Relations	FB	1	1

Contact

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Use of Languages

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

Teachers

Francisco Navarro Galvez

External teachers

Marisa Bordon

Prerequisites

No prerequisite is required

Objectives and Contextualisation

This is a first-year, first semester subject. The content may be considered as basic and fundamental.

The subject provides the main tools of economic analysis needed to understand and analyze the socio-economic performance of a society. Within this framework, this course aims at enabling students to use the basic concepts and tools developed by current economic analysis to understand the main facts that characterize an economy. Concepts that are fundamental to follow second year economic subjects (Labor Economics and Labor Policies) will be emphasized.

The training objectives of the subject can be summarized as follows:

1. Having the basic theoretical knowledge of micro and macroeconomics
2. Knowledge of the fundamental economic institutions
3. Ability to make a reasoned and critical analysis of the current economic facts
4. Demonstrate the acquisition of knowledge through written and oral expression, both individually and in

groups

The content of the subject will be explicitly consider issues related to gender.

Competences

- Applying the information and communication technologies to the different areas of action.
- Clearly expressing ideas or facts in a compelling way.
- Connecting the labour market needs, demands, and fluctuations, and the dynamics and policies of the industrial relations.
- Contextualising the social events from a (geographical, historical, economic, ecological, sociopolitical or cultural) global point of view.
- Drawing up and formalising reports and documents.
- Working autonomously.

Learning Outcomes

1. Applying the information and communication technologies to the different areas of action.
2. Clearly expressing ideas or facts in a compelling way.
3. Connecting production, distribution and consumption.
4. Contextualising the basic concept of a globalized economy.
5. Drawing up and formalising reports and documents.
6. Explaining basic economic information.
7. Knowing the operations of a market economy.
8. Working autonomously.

Content

1. Economics: basic issues.

What economic analysis is about. Markets and governments: mixed economies. The circular flow of income. Fundamental concepts: production possibility frontier; opportunity cost. The PPF and economic growth. Trade and trade gains; absolute and comparative advantage.

2. Markets: demand and supply.

Types of markets; market failures. Demand and supply in competitive markets. Equilibrium. Shifts of supply and demand. Changes in equilibrium. Price controls. Markets, welfare and efficiency: consumer and producer surplus.

3. Demand: consumers, prices and income.

Market demand and individual demand. Shifts of the demand curve. Elasticity of demand.

4. Supply: firms and costs.

Technology and the production function; marginal and average productivity. Cost functions: total cost, marginal cost, average cost; variable and fixed costs; long term and short term costs.

5. Markets in perfect competition.

Definition of perfect competition. Production and hiring decisions: profit maximization and the supply curve in a competitive market. Changes in costs and profits. Firm closure. Shifts of the supply curve. Elasticity of supply.

6. Non-competitive markets and public policy.

Imperfect competition: monopoly, oligopoly and cartels. Equilibrium with monopoly. Effects on welfare: loss of efficiency and market failures. Public policies towards monopolies and oligopolies.

7. Market failures and public policy.

Externalities: positive and negative. Pollution; climate change. Public policies: taxes and emission permits. Public goods.

8. Efficiency and fairness: Income distribution, poverty and discrimination. Taxation.

Personal income. The labor market: demand, supply and wages. Gender, discrimination, education. Measuring income inequality: the Lorenz curve. Absolute and relative poverty: definition and measurement. The Tax system and redistribution: income tax and inheritance taxation. Public expenditure and redistribution.

9. Economic aggregates.

GDP: value added, national income, aggregate expenditure. Composition of the GDP. Real and nominal GDP. Price indices and cost of living. Unemployment: types and measurement. Inflation rate: definition and measurement. Public deficit and Public debt. Money.

10. Economic cycles and the economy in the long term.

Economic growth in the long term. Economic cycles. Aggregate demand and Aggregate supply. The short term: fiscal and monetary policies.

Methodology

The course will consist of the following activities:

Lectures: The lecturer introduces and explains the basic concepts and graphs corresponding to each topic. Student attendance is essential.

Problems and exercises: in-class sessions dedicated to problem solving, case studies and/or debates about current issues. They include class presentations by students.

Evaluation activities: there will be four activities for that purpose. Two will consist of written tests (a mid-term and a final exam).

Complementary activities: Lecturers may recommend attendance to conferences or seminars.

Activities

Title	Hours	ECTS	Learning Outcomes
Type: Directed			
Evaluation	5	0.2	1, 4, 2, 5, 8
In-class problem based learning, text discussion	22.5	0.9	1, 4, 7, 2, 5, 3, 8
Lectures	22.5	0.9	4, 7, 6, 3
Type: Autonomous			
Individual study of textbook and class materials, problem solving, consultation of web sites.	100	4	1, 4, 7, 2, 5, 8

Assessment

Professors will provide the dates of each evaluation activity at the beginning of the semester.

To pass: a weighted average grade of 5 or higher is required, AND at least a grade of 3.5 in each written test.

Assessment Activities

Title	Weighting	Hours	ECTS	Learning Outcomes
Final test	35%	0	0	4, 7, 2, 5, 8
In-class problem resolution	30%	0	0	1, 4, 7, 6, 2, 5, 3, 8
Mid-term test	35%	0	0	4, 7, 2, 5, 8

Bibliography

Mandatory textbook

Krugman, Paul; Robin Wells & Kathryn Graddy (2013): Essentials of Economics, Worth Publishers, Inc.

Recommended materials

Project CORE, e-book The Economy (<https://www.core-econ.org/>).