

Introduction to Economics

Code: 102277
ECTS Credits: 6

Degree	Type	Year	Semester
2500786 Law	FB	1	2

Contact

Name: Isabel Busom Piquer
Email: Isabel.Busom@uab.cat

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: No

Teachers

Mar Soriano Prats
Rosa García Hernández
Francisco Javier López Andrés

Prerequisites

None

Objectives and Contextualisation

This is a first-year, first semester subject. The course 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 analytical graphs developed by current economic analysis to understand the main facts that characterize an economy.

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

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

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

Competences

- Efficiently managing information, being capable of assimilating a considerable volume of data in a limited amount of time.

- Identifying and solving problems.
- Identifying the underlying conflicts of interest in disputes and real cases.
- Integrating the importance of Law as a regulatory system of social relations.
- Managing bibliographic and documentary resources: databases, browsing, etc.
- Students must be capable of learning autonomously and having an entrepreneurial spirit.
- Students must be capable of perceiving the impact and implications of the decisions taken.
- Use different information and communication technologies.
- Working in multidisciplinary and interdisciplinary fields.

Learning Outcomes

1. Efficiently managing information, being capable of assimilating a considerable volume of data in a limited amount of time.
2. Identifying and solving problems.
3. Knowing the nature of the conflicts underlying in a market economy.
4. Knowing the ways of assessing conflicts that might inform the legal standards.
5. Managing bibliographic and documentary resources: databases, browsing, etc.
6. Possessing basic economic knowledge.
7. Relating the role of regulations in the functioning of the economic activity.
8. Students must be capable of learning autonomously and having an entrepreneurial spirit.
9. Students must be capable of perceiving the impact and implications of the decisions taken.
10. Use different information and communication technologies.
11. Working in multidisciplinary and interdisciplinary fields.

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. Competition policy in the European Union.

7. Market failures and public policy.

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

8. Fairness, Inequality and Poverty. Income redistribution.

Personal income. Wages and capital rents: factor markets. 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			
Assessment	5	0.2	3, 4, 1, 5, 2, 7, 9, 6, 11, 10
Lectures	22.5	0.9	3, 4, 7, 6, 11
Problem and case solving	22.5	0.9	3, 4, 5, 2, 7, 8, 9, 6, 11
Type: Autonomous			
Individual study, problems, essays and recommended activities	100	4	3, 4, 1, 5, 2, 7, 9, 6, 10

Assessment

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

To pass: a weighted average grade of 5 over 10 or higher is required, AND at least a grade of 3.5 in each written test.

Assessment Activities

Title	Weighting	Hours	ECTS	Learning Outcomes
End of term test	35%	0	0	3, 1, 5, 2, 7, 8, 9, 6, 11, 10
Midterm test	35%	0	0	3, 4, 1, 5, 2, 7, 8, 9, 6, 11, 10
Problem sets and cases	30%	0	0	3, 4, 1, 5, 2, 7, 8, 9, 6, 11, 10

Bibliography

Mandatory textbook

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

Recommended materials

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

Acemoglu, Daron; David Laibson & John List (2018), Economics; Pearson Publishers.