

Introduction to the Tourism Economy

Code: 104950
ECTS Credits: 6

Degree	Type	Year	Semester
2500894 Tourism	FB	1	1

Contact

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Use of Languages

Principal working language: spanish (spa)
Some groups entirely in English: Yes
Some groups entirely in Catalan: No
Some groups entirely in Spanish: Yes

Prerequisites

Do not exist

Objectives and Contextualisation

This course introduces the concepts of economic theory to the students of Degree in Tourism. It is a subject of "principles" of economics where students are initiated into the basics that will be used later in other subjects with economic content. Specifically, the course describes the essential elements of microeconomics from a theoretical and analytical point of view. The focus of the course is very practical. The theoretical content is tried to be applied in the form of exercises, analyzing charts, as well as other activities.

1. Prove that they know and understand the basic principles of tourism in all its dimensions and areas. Identifying the fundamentals of economic theory from the microeconomic perspective.
2. Identify and evaluate the elements of the tourism system and its interaction with the environment and its impact. The analysis of supply and tourism demand, the consumer, business, market, etc.
3. Assess the economic dimension of tourism in different geographical areas and analyzing the interaction between them. Understanding the behavior of the market and the logic of the "invisible hand" that regulates both static and dynamic perspective. To analyze the different concepts but in a partial way taking into account the presence of specific subjects throughout the degree.

Competences

- Demonstrate knowledge and understanding of the basic principles of tourism in all its dimensions and areas.
- Develop a capacity for independent learning.
- Evaluate the economic dimension of tourism at different scales and analyse the interrelationship between them.
- Identify and evaluate the elements of a tourism system and how they interact with and impact the environment.
- Take decisions in situations of uncertainty, taking into account potential consequences of these decisions in the short, medium and long term.
- Use communication techniques at all levels.
- Work in a team.

Learning Outcomes

1. Describe tourism supply and demand, cycles of economic growth, and the sector's international economic relationships.
2. Determine the economic impact of tourism.
3. Develop a capacity for independent learning.
4. Identify the concepts and theory underpinning economic analysis in tourism, at both micro- and macro-economic levels.
5. Relate the economic dimension of tourism by analysing tourism supply and demand, markets, and economic cycles, among other factors.
6. Take decisions in situations of uncertainty, taking into account potential consequences of these decisions in the short, medium and long term.
7. Use communication techniques at all levels.
8. Work in a team.

Content

TOPIC I: PRINCIPLES OF ECONOMICS

- 1.1. Scarcity and election
- 1.2. Production Possibilities Frontier
- 1.3. Opportunity Cost and practical applications

TOPIC II: SUPPLY AND DEMAND IN TOURISM

- 2.1. The circular flow diagram
- 2.2. Economic Systems: the market
- 2.3. Analysis and determinants of demand
- 2.4. Analysis and determinants of supply

TOPIC III: MARKET EQUILIBRIUM, ELASTICITIES AND GOVERNMENT INTERVENTION

- 3.1. Market equilibrium and variations
- 3.2. Elasticities of demand and supply
- 3.3. Government intervention: minimum and maximum prices and taxes

TOPIC IV: CONSUMER BEHAVIOUR

- 4.1. Consumer rationality
- 4.2. Budget constraint
- 4.3. Consumer preferences and utility maximization
- 4.4. Substitution effect and income effect

TOPIC V: THEORY OF THE FIRM: PRODUCTION AND COSTS

- 5.1. Production function in a short-term context
- 5.2. Firm costs in a short-term context
- 5.3. Production function in a long-term context and returns to scale
- 5.4. Firm costs in a long-term context
- 5.5. Maximization of profits

TOPIC VI: ANALYSIS OF SPECIFIC MARKETS: PERFECT COMPETITIVE MARKET AND MONOPOLY

- 6.1. Introduction: different market possibilities
- 6.2. Conditions and profit maximization with a perfect competitive market
- 6.3. Short-term and long-term market equilibrium in a perfect competitive market
- 6.4. Basic concepts of monopoly
- 6.5. Introduction to Game Theory for oligopoly situations

Methodology

The course runs on three methods of teaching and learning:

- a) Methodology for the theoretical part of the subject: Through lectures expose the contents of the topics included in the course program. This part is complemented with practical exercises done on the board.
- b) Methodology for the practical part of the subject: Exercises in class, both individually and in groups, and individual exposure class resolution. It is also planned revision exercises outside of class hours (tuitions).
- c) Methodology for the learning of the subject (Campus Virtual): Campus Virtual platform will be used to complement information and alternative means of communication in the classroom between students and

teacher. There will be exercises and supplementary materials for the course. A more elaborated work learning about different topics that relate to the tourism sector economy. The work teams will have to be prepared for delivery in a paper document for evaluation. It is also included the preparation of some subjects of economics applied to tourism to be included in the evaluation process.

Activities

Title	Hours	ECTS	Learning Outcomes
Type: Directed			
Exercises	12	0.48	1, 3, 2, 4, 5
Lectures	35	1.4	1, 2, 4, 7, 5
Study	24	0.96	1, 3, 2, 4, 7, 5
Type: Supervised			
Tuitions	22	0.88	3, 7
Work group elaboration	26	1.04	1, 3, 2, 4, 7, 6, 5, 8
Type: Autonomous			
Case studies	12	0.48	1, 3, 2, 4, 7, 5, 8

Assessment

The continuous evaluation is broke down into the following blocks:

- The completion and presentation-discussion of individual exercises (classroom and "on-line") throughout the year, given the fixed deadline, it will be worth 10% of the final grade.
- Completion of a job learning, team work, about the relationship between economy and tourism. Delivered on the established date. This part will be worth 20% of the final grade.
- The performance of two individual tests on the material based on theoretical and practical exercises on topics shown. This part will be worth 70% of the final grade. It is required an average of 4 points of both tests to be considered for continuous evaluation with blocks "a" and "b" with the condition that the minimum mark for any test must be at least 3 points.

In order to pass continuous evaluation it is required an average of 5 points with blocks "a","b" and "c" Students that do not pass continuous evaluation must do final exam of the subject with all topics covered. To pass it is required a mark above or equal to 5 points.

Assessment Activities

Title	Weighting	Hours	ECTS	Learning Outcomes
Individual Exercises	10%	5	0.2	1, 2, 4, 7, 6, 5
Team practicum	20%	10	0.4	1, 3, 2, 4, 7, 6, 5, 8
Test 1	35%	2	0.08	1, 3, 2, 4, 5
Test 2	35%	2	0.08	1, 3, 2, 4, 5

Bibliography

MANKIW, N. (2015): Principles of Economics Ed. Thomson
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 Other references:
 CASTEJÓN, M. Y PÉREZ, E. (2003): Introducción a la economía para turismo. Ed. Prentice Hall
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