

MODULE	SUBJECT MATTER	YEAR	SEMESTER	CREDITS	TYPE
Microeconomic Analysis	Microeconomics I	1 <sup>st</sup>	2	6	Basic
TEACHING STAFF <sup>(1)</sup>			ADDRESS, TELEPHONE NUMBER, EMAIL, ETC.		
<ul style="list-style-type: none"> <li>• Carlos Aller Arranz (coordinator)</li> <li>• Elena Molis Bañales</li> <li>• Ainara Rodríguez Sánchez</li> </ul>			Carlos Aller Arranz Dpto. Teoría e Historia Económica Facultad de Económicas y Empresariales Office B317 e-mail: caller@ugr.es		
			Elena Molis Bañales Dpto. Teoría e Historia Económica Facultad de Económicas y Empresariales Office B326 e-mail: emolis@ugr.es		
			Ainara Rodríguez Sánchez Dpto. Teoría e Historia Económica Facultad de Económicas y Empresariales Office B319 e-mail: arsanchez@ugr.es		
			TIMETABLE FOR TUTORIALS OR LINK TO WEBSITE		
			Carlos Aller Arranz Wednesdays & Fridays: 9:00 - 12:00		
			Ainara Rodríguez Sánchez Wednesdays: 9:00 - 12:00 y 15:30 – 18:30		
			Elena Molis Bañales Mondays & Tuesdays, 10:30-13:30		

<sup>1</sup> Consult any updates in Acceso Identificado > Aplicaciones > Ordenación Docente

(∞) This course guide should be filled in according to UGR regulations on assessment of student learning: (<http://secretariageneral.ugr.es/pages/normativa/fichasugr/ncg7121/>)

BELONGS TO UNDERGRADUATE DEGREE PROGRAMME	AND ALSO TO OTHER UNDERGRADUATE DEGREE PROGRAMMES
<i>Undergraduate degree in Economics</i>	
PREREQUISITES OR RECOMMENDATIONS	
Students should have appropriate skills on basic mathematical analysis: representation of functions, solving equations with one/two unknowns, partial derivatives, optimization subject to equality constraints.	
BRIEF DESCRIPTION OF CONTENT (ACCORDING TO OFFICIAL VALIDATION REPORT)	
This course gives a broad overview of basic principles of Consumer Theory (in order to understand how individual and market demand are determined) and the Theory of the Firm (in order to understand how individual and market supply are determined).	
GENERAL AND SPECIFIC COMPETENCES	
<p><b><u>GENERAL COMPETENCES</u></b></p> <ul style="list-style-type: none"> <li>• Skills in dealing with the ideas and the environment they are involved in.</li> <li>• Cognitive development</li> <li>• Capabilities in analysing and summarizing</li> <li>• Skills in verbal and written communication in English</li> <li>• Information management.</li> <li>• Problems solving</li> <li>• Teamwork</li> <li>• Teamwork in an interdisciplinary setting</li> <li>• Manage interpersonal relationships</li> <li>• Critical and self-critical reasoning</li> <li>• Learning capacity and autonomous work</li> <li>• Practical application of acquired knowledge</li> <li>• Research abilities</li> </ul> <p><b><u>BASIC COMPETENCES</u></b></p> <ul style="list-style-type: none"> <li>• Students are expected to show competence in knowledges at an area that starts from High School but it is fundamented both in advanced manuals and several aspects coming from state-of-the-art knowledges.</li> <li>• Students are expected to apply their knowledges in their careers in a professional way. They must have competences acquired by constructing arguments and solving problems at the area of study.</li> <li>• Students are expected to collect and interpret relevant data at their area of study with the aim of drawing reasonable conclusions of different topics: social, scientific, ethical.</li> <li>• Students are expected to spread information, ideas, problems and solutions both to a specialized and non-specialized audience.</li> <li>• Students are expected to develop learning abilities needed to undertake superior studies with a high degree of autonomy.</li> </ul> <p><b><u>CROSS SECTIONAL COMPETENCES</u></b></p> <ul style="list-style-type: none"> <li>• Collecting, understanding and applying the different economic models in order to provide rationality at the description and analysis of everyday issues. Ability to identify economic choice criteria of the different social agents.</li> </ul>	



### **SPECIFIC COMPETENCES**

- Theory and practice of basic economic and microeconomic concepts.
- Identification and anticipation of relevant economic problems in the context of both public and private resource allocation.
- Knowledge of economic choice criteria of social agents, the role of the state, business cycle and subsequent stabilization policies.
- Understanding of the relevant role played by the intuition, essential at the adoption of the optimal theories or propositions to be applied at a specific context.
- Theory and practice of basic macroeconomic concepts.
- Use of basic quantitative skills for economic diagnosis and analysis.
- Contribute with rationality to the analysis and description of any aspect of the economic reality.
- Evaluation of the consequences derived from the adoption of different alternatives subject to specific goals.
- Understanding of economic institutions as a result of formal/theoretical representations of the functioning of the economy.

### **OBJECTIVES (EXPRESSED AS EXPECTED LEARNING OUTCOMES)**

The purpose of this course is to provide basic concepts, objectives and instruments of Microeconomics: concept of preferences and utility function, budget constraint, optimal choice, firm technology and supply function.

Students will be able to understand the concept of *consumer demand* and compute it for different utility functions. At the same time, they will be able to calculate the *supply function* for different technologies.

Additionally, students will estimate the changes in the consumer demand caused by changes in the prices of the goods and/or in the income of the agent.

### **DETAILED SYLLABUS**

#### **THEORY:**

#### **BLOCK I: CONSUMER BEHAVIOUR**

##### **Lesson 1: Consumer preferences**

- Preferences. Cases.
- Indifference Curves.
- Types of Preferences.

##### **Lesson 2: Utility Function.**

- Definition.
- Marginal Utility and Marginal Rate of Substitution.
- Examples of Utility Functions.

##### **Lesson 3: Budget Constraint**

- Budget Line and Budget Set.
- Budget Line: Variations.



#### Lesson 4: Consumer Choice

- Optimal Choice.
- Consumer Demand.
- Examples of Demand Function..

### BLOCK II: DEMAND

#### Lesson 5: Comparative Statics

- Variation in Income. Variation in the Price.
- Variation in other goods prices.
- Examples by types of preferences.

#### Lesson 6: Slutsky Equation.

- Substitution Effect. Income Effect..
- Total change in Demand.
- Substitution Effect: Hicks.

#### Lesson 7: Market Demand

- From Individual Demand to Market Demand.
- Sentitivity Indicators.
- Consumer Surplus.

### BLOCK III: THEORY OF THE FIRM

#### Lesson 8: Technology and Production

- Technology and Production.
- Returns to Scale.

#### Lesson 9: Firm's Choice

- Profit Maximization.
- Cost Minimization.

#### Lesson 10: Cost Curve.

- Long-Run Average Cost Curve.
- Cost Function and Return to Scale.
- Short Run Average Cost Curve.

#### Lesson 11: Market Supply

- Competitive Firm's Supply.
- Market Supply.

#### PRACTICE:

#### Seminars/Workshops

- Lessons 1-4: Consumer Behaviour



- Lessons 5-7: Demand
- Lessons 8-11: Production

## BIBLIOGRAPHY

### BASIC READING LIST

- Serrano, R. and Feldman, A.M. (2018), A Short Course in Intermediate Microeconomics with Calculus. Cambridge University Press.
- Varian, H. (2009), Intermediate Microeconomics: A Modern Approach. Norton & Company.
- Jiménez, N. y Molis, E. (2013), Microeconomía I, segunda edición, Editorial Técnica AVICAM (in Spanish).

### COMPLEMENTARY READING

- Frank, R.H. (2008): Microeconomics and Behaviour, seventh edition, McGraw Hill.
- Miller R.L. and R.E. Meiners (1991), Microeconomics, McGraw-Hill.
- Pindyck R.S and Rubinfeld D.L. (1995): Microeconomics, Prentice-Hall.

## RECOMMENDED LINKS

<http://www.core-econ.org/>

## TEACHING METHODOLOGY

### Elements:

- Class meetings (either physically or virtually: 45 h. (30%).
- Individualized study, search and management of information, problem sets solving, practical cases in groups: 90 h. (60%).
- Individual or joint meetings with the teacher. Evaluation: 15 h. (10%).
- Formative activities will be done following a practical and participative methodology focused on the student's work (face-to-face and virtual / individual and teamwork). All of the activities, seminars, workshops, tutorials, lessons launched during the semester will be aimed to adequate to the contents and competences considered essential for the students' development.

## ASSESSMENT (ASSESSMENT INSTRUMENTS, CRITERIA AND PERCENTAGE VALUE OF FINAL OVERALL MARK, ETC.)

According to the *Normativa de evaluación y de calificación de los estudiantes de la Universidad de Granada* (last update approved on October 26, 2016), students' evaluation will be based on public and objective criteria and it will be primarily continuous.

- The evaluation will be structured as follows:
  - Final Exam, 70%. This exam will be taken into consideration as long as the student achieves, at least, 3 points over 10. Otherwise, the final grade will be exactly the score of the final exam. It will be a test. Incorrect answers will be penalized.
  - Group activity, 30%. Consisting in teamwork activities on every subject block (three in total, each one's score will have a weight of 10% in the final grade). Each activity will be released via available telematic means of the University.
  - The Extraordinary Call Exam will consist in a unique test exam. Incorrect answers will be



penalized. The final grade will be exactly the score of this exam.

According to *Artículo 8* of the *Normativa de Evaluación vigente*, the student has the option to choose a unique final evaluation. The student will need to apply for this alternative in the first two weeks of the subject's teaching period (or in the first two weeks from his/her enrolment at the subject) and via *procedimiento electrónico*, to the head of the department, providing all reasons that justify the inadequacy of the continuous evaluation (labor, health, disability or any other plausible motive). Such evaluation is understood as the one made in a unique academic act in order to prove that the student has achieved all competences aforementioned.

#### DESCRIPTION OF THE EXERCISES WHICH WILL CONSTITUTE SINGLE FINAL ASSESSMENT AS ESTABLISHED IN UGR REGULATIONS

It will consist in a unique test exam. Incorrect answers will be penalized. The final grade will be exactly the score of this exam.

#### SCENARIO A (ON-CAMPUS AND REMOTE TEACHING AND LEARNING COMBINED)

##### TUTORIALS

###### TIMETABLE

###### TOOLS FOR TUTORIALS

Carlos Aller Arranz  
Wednesdays & Fridays, 09:00-12:00

e-mail: [caller@ugr.es](mailto:caller@ugr.es)  
*video conference via Google Meet*

Elena Molis Bañales  
Mondays & Tuesdays, 10:30-13:30

e-mail: [emolis@ugr.es](mailto:emolis@ugr.es)  
*video conference via Google Meet*

Ainara Rodríguez Sánchez  
Thursdays, 10:00-14:00 and 16:00-18:00

e-mail: [arodriguez@ugr.es](mailto:arodriguez@ugr.es)  
*video conference via Google Meet*

##### MEASURES TAKEN TO ADAPT TEACHING METHODOLOGY

Face-to-face will be combined with virtual teaching. Groups will be splitted into several subgroups so some students will attend lessons from the classroom and the rest via *streaming*. The number of students at the classroom, as well as the periodicity, will be determined following the organizational and logistic capacity of the Faculty and the Department.

##### MEASURES TAKEN TO ADAPT ASSESSMENT

Ordinary assessment session

- Final Exam, 70%. This exam will be taken into consideration as long as the student achieves, at least, 3 points over 10. Otherwise, the final grade will be exactly the score of the final exam. It will be a test. Incorrect answers will be penalized. This exam will be primarily an in-person exam. Otherwise, the exam will be done via PRADO EXAMEN platform.
- Group activity, 30%. Consisting in teamwork activities on every subject block (three in total, each one's score will have a weight of 10% in the final grade). Each activity will be released via available telematic means of the University.



Extraordinary assessment session	
<ul style="list-style-type: none"> <li>It will consist in a unique test exam. Incorrect answers will be penalized. The final grade will be exactly the score of this exam. This exam will be primarily an in-person exam. Otherwise, the exam will be done via PRADO EXAMEN platform.</li> </ul>	
Single final assessment	
<ul style="list-style-type: none"> <li>It will consist in a unique test exam. Incorrect answers will be penalized. The final grade will be exactly the score of this exam. This exam will be primarily an in-person exam. Otherwise, the exam will be done via PRADO EXAMEN platform.</li> </ul>	
SCENARIO B (ONCAMPUS ACTIVITY SUSPENDED)	
TUTORIALS	
TIMETABLE (According to Official Academic Organization Plan)	TOOLS FOR TUTORIALS (Indicate which digital tools will be used for tutorials)
Carlos Aller Arranz Wednesdays & Fridays, 09:00-12:00	e-mail: <a href="mailto:caller@ugr.es">caller@ugr.es</a> <i>video conference via Google Meet</i>
Elena Molis Bañales Mondays & Tuesdays, 10:30-13:30	e-mail: <a href="mailto:emolis@ugr.es">emolis@ugr.es</a> <i>video conference via Google Meet</i>
Ainara Rodríguez Sánchez Thursdays, 10:00-14:00 and 16:00-18:00	e-mail: <a href="mailto:arodriguez@ugr.es">arodriguez@ugr.es</a> <i>video conference via Google Meet</i>
MEASURES TAKEN TO ADAPT TEACHING METHODOLOGY	
<ul style="list-style-type: none"> <li>Theoretical and practical lessons via Google Meet platform</li> <li>Availability at platform PRADO of the sessions mentioned above.</li> <li>Participation via forums at PRADO</li> </ul>	
MEASURES TAKEN TO ADAPT ASSESSMENT	
Ordinary assessment session	
<ul style="list-style-type: none"> <li>Final Exam, 70%. This exam will be taken into consideration as long as the student achieves, at least, 3 points over 10. Otherwise, the final grade will be exactly the score of the final exam. It will be a test. Incorrect answers will be penalized. The exam will be done via PRADO EXAMEN platform.</li> <li>Group activity, 30%. Consisting in teamwork activities on every subject block (three in total, each one's score will have a weight of 10% in the final grade). Each activity will be released via available telematic means of the University.</li> </ul>	
Extraordinary assessment session	



- It will consist in a unique test exam. Incorrect answers will be penalized. The final grade will be exactly the score of this exam. The exam will be done via PRADO EXAMEN platform.

Single final assessment

- It will consist in a unique test exam. Incorrect answers will be penalized. The final grade will be exactly the score of this exam. The exam will be done via PRADO EXAMEN platform.

#### ADDITIONAL INFORMATION

The department of Economic Theory and History, according to the *Normativa para la atención al estudiantado con discapacidad y otras necesidades específicas de apoyo educativo* (approved in 20th September, 2016), will encourage the right to education of those students with disabilities and other specific necessities of educative support. All necessary measures to ensure their effective inclusion will be adopted, warranting their right to an inclusive education, according to non-discrimination principles, equality of opportunities and universal access with the aim of deveoping their personal capacities as much as possible and, in general, to achieve the goals established for all students.

Information contained in this course guide might be updated in case of unexpected events, normative changes or new guidelines adopted by health authorities, the University or the Faculty.

