

Microeconomics

UGRA_006716

Departments	Department of Economics, Finance & Accounting
Teaching Languages	English, Spanish, Catalan
ECTS	6
Teacher responsible	Vives Perez Jordi - jordi.vives3@esade.edu Domenech Ponsi Josep - josep.domenech@esade.edu Aznar Alarcón Juan Pedro - juanpedro.aznar@esade.edu

Course Goals

Microeconomics is an introductory course to Microeconomics analysis. The objective of the course is to learn the main tools economists apply to understand how markets work, tools that will be useful for Management and Business, as they can help to make better strategic decisions. The learning objectives can be summarized as follows:

1. Identify the different market structures and be capable of discussing the consequence of the market structure for one particular industry.
2. Understand the role of the demand and supply as key drivers of prices and output for any market. Students will be capable of determine how the interaction between supply and demand shocks may affect the market equilibrium.
3. Apply tools from the economic analysis, particularly different elasticities, to particular markets to better understand the effect of market interventions on markets, price controls, taxes and subsidies.
4. To classify the main market failures, understanding the consequences for different stakeholders of the presence of externalities and the alternatives to correct these externalities.
5. To work with data and assess if, based on a preliminary analysis, data confirms some hypotheses based on Economic Theory.

In a nutshell the objective of the course is help students to develop their analytical and critical thinking skills, as well, as understanding how Economics can help in Management as a tool to make better decisions.

Prerequisites

This course has not prerequisites. A basic knowledge of Algebra and Calculus facilitates understanding how Maths tools are applied on Economic Analysis.

Teaching methodology

Class sessions are divided in lecture sessions, in which the professor responsible for each session will introduce the concepts and have class discussions about the different topics covered in the syllabus, and seminars, in which the class is divided into two groups and practices through numerical exercises, case analysis, readings and data analysis exercises.

The Moodle of the subjects will provide additional material for the students:

Short videos with exercises solved.

A Power Point presentation for each topic.

It is important for the teaching method to be effective that students participate actively in class and prepare in advance the exercises and questions for the seminars.

Description

Course contribution to program

Economic Analysis contributes to a better understanding how the environment in which firms operate. Microeconomics is about understanding particular markets. Elasticities, entry barriers, product differentiation or externalities play all a relevant role in how markets work and understanding them helps Managers to make more informed decisions and provide them valuable tools for the decision-making process.

Short description

Microeconomics is an introductory course about how Economic Analysis can be a useful tools for Managers and Governments in their making-decision process. Helps managers to develop a more solid strategy by considering the particular features of each particular markets. Provide governments with tools to measure, analyze and correct different market failures.

Program Learning Objectives

BBA20–Bachelor of Business Administration (BBA)

- General Management Skills
 - Recognise the economic, legal and social concepts that define the context of companies and other organisations, their scope of action and their potential clients.
- Responsible Leadership
 - Recognise the impact that business decisions have on the organisation itself, society and the environment.
- Systemic Thinking
 - Analyse a business problem using tools, frameworks and perspectives in an integrative way.

GEL23–Bachelor of Global Governance, Economics and Legal Order

- General Management Skills
 - Recognise the economic, legal and social concepts that define the context of different stakeholders in the context of international relations and global governance.
 - Responsible Leadership
 - Recognize the social impact of international organizations and governments decisions.
 - Critical and Analytical Thinking
 - Apply relevant techniques and tools to analyze and evaluate economic and financial information.
 - International Relations and Global Governance
 - Apply geopolitical analysis to decision-making by the different actors involved in international relations.
 - Economic Analysis
 - Assess the behaviour of different actors (governments, companies and international organisations) through economic analysis and available empirical evidence.
- G30:H37

Bibliography

- Robert S Pindyck, Microeconomics, Pearson, 978-0134184241 (Book)
 Paul Krugman and Robill Wells, Microeconomics, McMillan (Book)

Activities

In-class discussions and debates

Class participation weights a 10% of the final grade.

Analytical exercises

Some classes students are divided in two groups to review the topics covered from a practical perspective through case analysis, numerical exercises and the use of Excel for data analysis.

Written and/or oral exams

There is one midterm exam, after 5-6 weeks of class. There is one final exam in the exam period after class. To pass the subject is a requirement a minimum of 5 in the final exam.

Project development and presentation

Students will work on groups of maximum five students, to analyze a particular market situation and provide a proposal for tackling a relevant problem in a particular industry. Each group must submit a video with their analysis. This work weights 25%.

Content

#	Topic
1	Introduction to Economics. 1.1. Economics as a Social Science. 1.2. Microeconomics and Macroeconomics. 1.3. The concept of opportunity cost: Economics profits versus Accounting profits. 1.4. Introduction to Market structures. 1.5. Market concentration indexes.
2	Competitive Markets: Equilibrium and its dynamics. 2.1.. Demand and its drivers. 2.2. Supply and its drivers. 2.3. Market equilibrium. 2.4. Elasticities analysis. 2.5. Market dynamics. 2.6. Introduction to Labour Market
3	Market interventions and externalities. 3.1. Control prices: Maximum and minimum prices. 3.2. Introduction to externalities. 3.3. Specific indirect taxes. 3.4. Subsidies. 3.4. International trade: Tariffs and subsidies.
4	Production and cost. 4.1. Production function and productivity. 4.2. From production to the cost function, 4.3. Economies of scale and natural monopoly. 4.4. Competitive markets: long-run adjustment
5	Market failures and more about Economics. 5.1. The monopoly. 5.2. Externalities revision: The Coase Theorem. 5.3. Asymmetric information: Akerlof and Spence models. 5.4. Economics and sustainability. 5.5. Introduction to Behavioural Economics.

Assessment

Tool	Assessment tool	Category	Weight %
Written and/or oral exams	Midterm exam	Retake and ordinary round	25.00%
Written and/or oral exams	Final exam	Retake and ordinary round	40.00%
Group project	Group project	Retake and ordinary round	25.00%
In-class analysis and discussion of issues	Class participation	Retake and ordinary round	10.00%

PROGRAMS

BBA20-Bachelor of Business Administration (BBA) (Undergraduates: Business)
BBA20 Year 1 (Basic)

BBA23-Bachelor of Business Administration (BBA) (Undergraduates: Business)
BBA23 Year 1 (Basic)

DBAI23-Double Degree in Business Administration and Artificial Intelligence for Business (Undergraduates: Business)
DBAI23 Year 1 (Basic)

GBD20-Double Degree in Business Administration and Law (Undergraduates: Law)
GBD20 Year 1 (Basic)

GBD23-Double Degree in Business Administration and Law (Undergraduates: Law)
GBD23 Year 1 (Basic)

GBL24-Double Degree in Business Administration and Global Governance, Economics and Legal Order (Undergraduates: Business)
GBL24 Year 1 (Basic)

GDL23-Double Degree in Law and Global Governance, Economics and Legal Order (Undergraduates: Law)
GDL23 Year 1 (Basic)

GEL19-Bachelor of Global Governance, Economics and Legal Order (Undergraduates: Law)
GEL19 Year 1 (Mandatory)

GEL23-Bachelor of Global Governance, Economics and Legal Order (Undergraduates: Law)
GEL23 Year 1 (Basic)