Universidad de Navarra

Economic Theory I (MEF)

Guía docente 2026-27

PRESENTACIÓN

Welcome to Economic Theory I, a foundational course in microeconomics designed for the Master in Economics and Finance program. This course is structured to cater to both students who are new to microeconomics and those looking to build upon prior knowledge. Our focus is to develop a robust understanding of microeconomic principles, both through mathematical rigor and practical application.

The course begins by introducing the fundamental concepts and models of microeconomics. We will explore these ideas with a strong emphasis on mathematical analysis, ensuring a deep comprehension of the underlying theories. This approach is crucial for modeling and analyzing real-world economic scenarios effectively.

A significant portion of the course is devoted to general equilibrium analysis. Here, you will learn how different elements of an economy interact and reach a state of balance. We will also cover critical aspects like externalities and public goods, which are essential for understanding complex economic interactions.

Advanced topics include general equilibrium under uncertainty, the existence of equilibrium, and dynamic general equilibrium models. These areas are vital for grasping more sophisticated economic theories and applications, especially in uncertain and evolving economic environments.

Finally, the course provides the students with an advanced introduction to Game Theory.

This course aims to equip you with a solid theoretical foundation and analytical skills. These are indispensable for tackling real-world economic issues and will serve as a stepping stone for further advanced studies in economics and finance

General Information

Degree	Master in Economics and Finance
Module/Subject Matter	Module I/Matter 1.1 Economic Theory
ECTS	3,5 (87.5 hours of work)
Semester, Year	Fall, 2023/2024
Instructor	Dr. Markus Kinateder
Instructor's Email and Office	mkinateder@unav.es
Office Hours/ Location	By appointment, Ed. Amigos, Torre, 2550.

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Class Schedule | Classroom Location	(link to the web)
Language	English
Prerequisite Knowledge and Skills *(Please contact the instructor if you have not yet taken these or similar courses)*	

Learning Objectives

Understand the most important models in microeconomics.

Acquire a basic knowledge of the models used in general equilibrium.

Understand the way economists theoretically model real-world issues.

Acquire a basic knowledge of game theory.

Acquire the mathematical techniques that are necessary to do theoretical research in microeconomics.

Develop a rigorous way of expressing economic ideas verbally.

GENERAL COMPETENCIES

CG1) Train high-level specialists in both economic theory and finance

CG3) Familiarize students with research fields and the most relevant literature in economic theory and finance.

CG4) Develop students' critical capacity towards economic or financial phenomena and enhance their communication skills

CG5) Provide students with the basic theoretical foundations to start doctoral studies in economics or finance

SPECIFIC COMPETENCIES

CE2) Develop the main ideas and techniques necessary for the analysis of general equilibrium models

CE5) Study and delve into the economic theory of uncertainty and asymmetric information and its main applications to corporate governance and market dynamics.

CE8) Understand the models that originated the theory of industrial organization, including the treatment of static and dynamic oligopoly theory, entry and exit, asymmetric information, research and development, and operational networks.

Course Outline

I. Consumer Theory and Theory of the Firm

Consumer Theory. MWG Ch 3 B-E

Choice under Uncertainty. MWG Ch 6 B, C, E.

Producer Theory. MWG Ch 5 B,C.

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II. General Equilibrium

Introduction to the General Equilibrium Framework. MWG Ch 15 B-D.

Equilibrium, Pareto Optimality and Welfare Theorems. MWG Ch 16 B-F.

III. Selected Topics

Externalities and Public Goods. MWG Ch 11.

Introduction to Game Theory. MWG Ch 7-9

Prerequisites: The student should have an intermediate knowledge of Microeconomics (Varian, H. Intermediate Microeconomics: A Modern Approach, Norton, 2003) and a sound command of mathematics (Simon, D. And L. Blume, Mathematics for Economists, Norton, 1994).

TEACHING METHODOLOGY

The course consists of 87,5 hours divided into lectures, problem sets, and personal study.

Lectures: 30 hours (including a final exam of 90 minutes): 24 of them are theoretical classes, and the remaining ones are dedicated to the correction of problem sets and old exams.

Students are required to attend class and to prepare lectures.

Personal study: 30 hours after each lecture, the student should revise the material covered by him-/her-self and read the corresponding sections of the Mas-Colell book.

Problem sets 27,5 hours of compulsory problem sets.

EVALUACIÓN

There are four problem sets. Each counts 7.5% of the final grade, while the final exam counts 70% of the final grade.

However, a student who obtains a 0 in all problem sets (either because of not handing them in or because of not solving them) fails the subject and is not admitted to the final exam.

For students with a total grade below 5.0, there will be a second chance to take the final exam. The weights will be the same as before: 70% final exam and 30% problem sets.

Final Exam Date: Dec 11th, 10:00-11:30, Room 103

ORARIOS DE ATENCIÓN

Office hours: by appointment, please schedule appointments around one week in advance by sending me your availability (an ample schedule for several days to choose one time slot that suits both of us)

Office: 2550

Email: mkinateder@unav.es

Question Session, Dec 7th 11:00-13:00, Room 103

BIBLIOGRAPHY

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The main textbook is Mas-Colell, A., M. Whinston and J. Green, Microeconomic Theory, Oxford University Press, 1995. Find it in the library

Other useful references are Kreps, D., A Course in Microeconomic Theory, Princeton University, 1990. Find it in the library

Varian, H., Microeconomic Analysis, Norton, 1992. Find it in the library