



Universidad
de Navarra

Principles of Microeconomics C_20
Guía docente 2023-24

PRESENTACIÓN

Breve descripción:

- The subject "Principles of Microeconomics" is the first contact that the undergraduate student has with economic theory. Therefore, it is proposed as the basis that will allow progress in the future in the knowledge and application of Economic Theory, both in the area of Microeconomics and Macroeconomics. Those who follow this course will learn how economists approach the study of the reality that surrounds them, especially the decisions that individuals make and their interaction in the markets. Likewise, you will become familiar with the language and tools of this discipline.
- **Titulación:**ADE
- **Módulo/Materia:** GENERAL ECONOMICS/MICROECONOMICS
- **ECTS:**6
- **Curso, semestre:**1st year, 1st semester
- **Carácter:**compulsory
- **Profesorado:** Jorge Jesus Soria
- **Idioma:**english
- **Aula, Horario:**

COMPETENCIAS

ADE bilingue

BC1 . Students must demonstrate that they possess and understand knowledge in an area of study based on a general secondary school education whose content often comes from advanced textbooks, but also includes cutting-edge knowledge in this field of study.

GC1 . To be familiar with different areas of the theory and/or application of economic analysis.

SC17 . To explain the value generated by an economic activity for each agent involved in it.

ECO bilingue

BC1 . Students must demonstrate that they possess and understand knowledge in an area of study based on a general secondary school education whose content often comes from advanced textbooks, but also includes cutting-edge knowledge in this field of study.

GC1 . To be familiar with different areas of the theory and/or application of economic analysis.

SC1 . To be familiar with the fundamental concepts and methods of economic theory.

SC3 . To use the concepts, theories and models of economic theory to assess the reality of the economic context.

PROGRAMA



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I. Introduction:

Think like economists

Scarcity and opportunity cost

The economy as a social science

II. Market operation.

Demand, Supply and Prices

The Market: Demand and Supply

Balance: price and quantity

Shifts in demand and supply

Market adjustment

Elasticity

Price elasticity of demand and supply

Cross price elasticity: complementary and substitute goods

Income elasticity: normal, necessary, luxury and inferior goods

Economic Regulation

Maximum and minimum prices: results

Taxes and subsidies: impact on the market

The Market and Economic Well-being.

Well-being and efficiency

Consumer and producer surplus

Applications: economic regulation and efficiency

Market failures.

Externalities and Public Goods



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Asymmetric information: adverse selection and moral hazard

Correction of market failures

IV. Firm behavior

Production Costs

The short-term and long-term production function

Fixed and variable costs. Average and marginal costs

The short-term and long-term cost function

Competitive Markets

Profit maximization

Short-term balance

Long-term balance

The monopoly

Barriers to entry and types of monopoly

Introduction to monopoly behavior

Monopoly regulation

Power and market structure

Market power and price discrimination

Introduction to Oligopoly: The Case of the Duopoly and the Prisoner's Dilemma

Introduction to monopolistic competition

IV. Consumer choice

The Consumer Theory.

Utility function and budget constraint

Maximizing profit

Applications and extensions of the Consumer Theory.



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Introduction to uncertainty

- Introduction to behavioral economics

ACTIVIDADES FORMATIVAS

Theoretical-practical classes (52 hours)

The course consists of 13 weeks with 4 hours of classes per week (52 hours). During this time, the professor will provide students with the necessary theoretical knowledge to analyze problems and cases. In class, problems and cases related to current economic events will be discussed and solved.

Personal work of the student (95 hours)

As guidance (and advice), the student's personal work hours should be distributed approximately as follows:

Weekly, the minimum number of work hours is 4. It is expected that each week the student will:

- Read the theory for the following week and complete the exercises provided in the textbook (2 hours)
- Review the theory and problems covered during the week (2 hours)
- The student is responsible for increasing this minimum if deemed necessary.

Preparation for the final exam (30 hours)

Approximately 10 topics will be covered during the course. Adequate preparation for the final exam can be achieved by dedicating around 3 hours to each topic. This requires consistent effort and study throughout the course.

Final exam (3 hours)

- TOTAL: 150 hours.

EVALUACIÓN

CONVOCATORIA ORDINARIA

The course will be evaluated as follows:

1. Three midterm exams (45%): There will be three exams during the course - at the end of September (29th), the end of October (27th), and December (1st). The weight of each exam will be 15%, and they will be based on multiple-choice questions. There will be no retakes. If a student does not complete one or more of the three midterms for any reason, the weight of those exams will be added to the final exam. If you pass the 3 midterm exams and get over 7/10 points, you can opt out of the Final Exam and the final grade will be based only on the partial exams.
2. Final exam (55%)



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- To pass the course, the student must earn at least 40 points (out of 100) on the final exam.

CONVOCATORIA EXTRAORDINARIA

- If a student fails the course in December, he or she will have to retake the exam in June 2024. The final grade will still take into account the work completed during the course. This means that the weight of the final exam in June will be the same as the weight of the final exam in December.

Office Hours and contact information

Dr. Jorge Soria (jjdoria@external.unav.es)

- Room 2300 Edificio Amigos.
- Tuesdays and Thursdays, by appointment. Please book by email.

BIBLIOGRAFÍA

Principles of Microeconomics, 8th Edition, Robert Frank, Ben Bernanke, Kate Antonovics and Ori Heffetz, MacGraw-Hill, 2022. [Find it in the library.](#)

- Students will have access to the textbook through Connect platform.

You can earn extra points by reading "The Undercover Economist" by Tim Harford.