

**COURSE DATA****DATA SUBJECT**

Code: 35926
Name: Principles of economics (microeconomics)
Cycle: Undergraduate Studies
ECTS Credits: 6
Academic year: 2025-26

STUDY (S)

Degree	Center	Acad. year	Period
1315 - Degree in Finance and Accounting	Facultat d'Economia	1	First quarter

SUBJECT-MATTER

Degree	Subject-matter	Character
1315 - Degree in Finance and Accounting	Economics	BASIC

COORDINATION

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SUMMARY

Principles of Economics (Microeconomics) falls into the subject of Economics which, as a foundation subject type, is lectured in the first term of the first year in the degree of Finances and Accounting. Economics encompasses Microeconomics and Macroeconomics, the teaching of the former corresponds to the first semester and the latter to the second one. Total ECTS credits of each of these parts are 6 credits.

The contents of both Principles of Economics (Microeconomics) and Principles of Economics (Macroeconomics) are related with Econometrics (compulsory, 4.5 ECTS), which is lectured in the first term of the second year since they give the basic knowledge the students need in order to understand the models they are going to work with in Econometrics.

The main aims of *Principles of Economics (Microeconomics)* are to familiarise the student with the topics that are generally covered by Microeconomics, and to introduce the way in which economists think to analyse real world problems and propose solutions. This subject will allow the student to understand how individuals and firms decide and how markets work. Additionally, the student will be able to explain the different kinds of markets, and why it may be considered convenient by the Government to intervene to promote efficiency or to promote equity.

The basic contents of this subject are the following: markets, demand and supply, elasticity; welfare and efficiency, the behaviour of the firm, competitive markets, monopoly, asymmetric



information and the working of the labour market.

PREVIOUS KNOWLEDGE

RELATIONSHIP TO OTHER SUBJECTS OF THE SAME DEGREE

There are no specified enrollment restrictions with other subjects of the curriculum.

OTHER REQUIREMENTS

The prerequisites that the student needs to successfully address this subject are minimal: a level of basic maths (solving equations with one / two unknowns and basic partial derivatives) and a minimal familiarity with the graphical analysis and web information looking up.

COMPETENCES / LEARNING OUTCOMES

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Aplicar los principios del análisis económico al diagnóstico y resolución de problemas.

Comprender las claves del funcionamiento de la economía de mercado y los efectos de las diferentes estructuras de mercado sobre la eficiencia y la equidad.

Comprender y aplicar el método científico, consistente en formular hipótesis, deducir resultados comprobables y contrastarlos con la evidencia empírica y experimental.

Conocer y comprender los diferentes fallos de mercado: bienes públicos y efectos externos.

DESCRIPTION OF CONTENTS

1. Basic Principles of Economics

1.1 Economics of scarcity and the economic approach.

1.2 Basic principles in economics: decisions and opportunity cost; interaction between economic agents; how the economy works as a whole.

1.3 Economic models: the circular flow diagram and the production possibilities frontier.

1.4 Microeconomics and macroeconomics.

1.5 Normative analysis versus positive analysis.



Basic bibliography: Mankiw and Taylor, 3rd edition, Ch. 1, Ch. 2 (including appendix) and Ch. 19 (pp. 497-502).

2. Demand and supply

- 2.1 The demand curve: concept and shifts.
- 2.2 The supply curve: concept and shifts.
- 2.3 Market equilibrium.
- 2.4 Changes in equilibrium.

Basic bibliography: Mankiw and Taylor, 3rd edition, Ch. 3.

3. Elasticity

- 3.1 The price elasticity of demand.
- 3.2 Total income and the price elasticity of demand.
- 3.3 Other demand elasticities.
- 3.4 The elasticity of supply.

Basic bibliography: Mankiw and Taylor, 3rd edition, Ch. 4.

4. The Market, Government Policies, and Welfare

- 4.1 Price control: maximum and minimum prices.
- 4.2 Effects of a tax on equilibrium.
- 4.3 Consumer and producer surplus.



4.4 Market efficiency.

Basic bibliography: Mankiw and Taylor, 3rd edition, Ch. 6, Ch. 7 and Ch. 9 (pp. 247-253).

5. Production and costs

5.1 The short-run production function: total, average, and marginal output.

5.2 The Long-Term Production Function: Returns to Scale

5.3 Economic costs and accounting costs: Costs seen as opportunity costs.

5.4 From the production function to the total cost curve.

5.5 Short-term and long-term cost curves.

Basic bibliography: Mankiw and Taylor, 3rd edition, Ch. 6 (pp. 161-180).

6. Companies in competitive markets

6.1 The meaning of competition.

6.2 Profit maximization and the firm's supply curve.

6.3 The supply curve in a competitive market.

Basic bibliography: Mankiw and Taylor, 3rd edition, Ch. 6 (pp. 180-202).

7. Imperfect competition

7.1 The monopoly. Why monopolies arise.

7.2 Equilibrium in monopoly. Graphical representation.



7.3 Comparison of monopoly with perfect competition.

7.4 Introduction to oligopoly and monopolistic competition.

Basic bibliography: Mankiw and Taylor, 3rd edition, Ch. 14 (pp. 353-369), Ch. 15 (pp. 383-390) and Ch. 16 (pp. 401-406).

8. Factor markets: The labour market

8.1. The demand for labor.

8.2. The supply of labour.

8.3. Equilibrium in the labour market.

Basic bibliography: Mankiw and Taylor, 3rd edition, Ch. 17. (pp. 435-449).

9. Asymmetric information

9.1. Adverse selection.

9.2. Signalling to convey private information.

9.3. Moral hazard.

Basic bibliography: Mankiw and Taylor, 3rd edition, Ch. 12. (pp. 321-330).

WORKLOAD

PRESENCIAL ACTIVITIES

Activity	Hours
Theory	30,00
Classroom practices	30,00
Total hours	60,00

**NON PRESENCIAL ACTIVITIES**

Activity	Hours
Attendance at other activities	0,00
Individual or group project	25,50
Independent study and work	34,50
Preparation of lessons	30,00
Preparation for assessment activities	0,00
Resolution of case studies	0,00
Total hours	90,00

TEACHING METHODOLOGY

The teaching methodology of the subject *Principles of Economics (Microeconomics)*, both in theoretical and practical classes, will be aimed at promoting the capacity for work. More precisely, this methodology can be described as follows:

- For theoretical classes, students must prepare, in advance, the basic bibliography of the topic corresponding to the class. Based on the reading of this bibliography, they will prepare a series of questions that collect their main doubts. These questions will be posed to the teacher and the rest of the classmates, within the class, so that they can be resolved, if they still have them. In this way, in class, the teacher's explanations can be combined with the active participation of the students (for example, proposing the resolution of students' doubts throughout the class, resolution of questions raised by the teacher himself, group discussion of the aspects that have generated the greatest interest, etc.). The aim is for students to be able to develop both their capacity for autonomous work (with the work prior to class), as well as their ability to work in a team, argue and defend ideas (group debates) and their oral and written communication skills (raising their doubts about the subject in public and/or solving the questions raised in writing).
- For practical classes, students will prepare in advance exercises and practical cases related to the topics, and that may be worked on in the classroom, having the possibility of solving an exercise on the blackboard. The aim is for students to be able to develop their ability to organise ways of working (individually or in groups), to solve problems related to the content of the subject, to communicate orally or in writing, to coordinate various activities, and to distinguish, among all the available information, which information is reliable and which is not. The tasks set can lead to deliveries that can be evaluated by the teacher.

EVALUATION

The course *Principles of Economics (Microeconomics)* will be assessed by considering, in order of importance, the following aspects:

- A written final exam consisting of theoretical questions and problems.
- The evaluation of the practical activities developed by the student during the course, from questionnaires, work / reports and / or oral presentations.



- Continuous assessment of students, based on participation and involvement of the student in the teaching / learning process.

In the course of Principles of Economics (Microeconomics) total assessment is broken down as follows: 30% of the overall mark is the evaluation of the various activities carried out throughout the course and active student participation, which is non-recoverable by any means; and 70% of overall mark is for the final synthesis test.

The final synthesis exam is compulsory and to pass it is a prerequisite to pass the course. The subject will be considered approved if the student gets 5 out of 10, for what he/she may combine continuous assessment and the final synthesis exam. If the student chooses not to perform the tasks of continuous assessment, he/she can only get the points of the final test (7 maximum) and needs to obtain a 5 out of 7 in this exam to pass the course. If the student does not pass the course, the student will not be able to obtain more than a 4.5 in the global grade, even if the value of the sum of the continuous evaluation and the final synthesis test is higher.

REFERENCES

- Mankiw, N. G & Taylor, M. P. (2017): Economía; Ed. Paraninfo.
- Bernanke & Frank (2007): Principios de Economía; 3ª edición, Ed. McGraw Hill.
- Blanco, J.M. & Aznar, J. (2001): Introducción a la Economía: Teoría y Práctica; 3ª edición, Ed. McGraw-Hill.
- Samuelson, Paul A. & Nordhaus, William D. (2010): Economía; 19ª edición, Ed. McGraw Hill.