



MICROECONOMICS

General data

Course code:	B19GMK04E
ECTS credits:	7
Type of the course:	core course
Semester:	Fall, Semester 1
Course restrictions:	-
Course leader (with availabilities):	Katalin Erdős erdosk@ktk.pte.hu +36 72 501 599/ 63134
Further lecturer(s) (with availabilities):	Richárd Farkas farkasr@ktk.pte.hu

1. Description and aims

The course aims to provide an introduction to the field of microeconomics. It targets the discussion of the basic concepts and approaches, including optimization, equilibrium, and empiricism. The discussion will cover consumer and producer decisions, market structures, and welfare issues. The module helps students understand the role of economics in society and how economists think and optimize under different conditions. Social and environmental consequences of economics will also be dealt with by analyzing imperfect market conditions, externalities, and taxation.

2. Intended Learning Outcomes (ILOs)

Upon the successful completion of this course, students should be able to:

1. explain ordinal and cardinal thinking (*PILO1*),
2. compare positive and normative economic approaches (*PILO1*),
3. analyze optimization methods behind consumption and production decisions (*PILO2*),
4. compare a selection of key theories in the field (*PILO1*),
5. model economic processes under different market conditions (*PILO1,8*),
6. apply mathematical models in a microeconomic setting (*PILO2*),
7. organize data and information relevant to the field (*PILO3*).

(The remarks in brackets express each CILO's connection to the Program Intended Learning Outcomes (PILOs).)

3. Content, schedule

The discussion of topics is divided into the following twelve chapters:

1. The Principles and Practice of Economics
2. Economic Methods and Economic Questions
3. Optimization: Doing the Best You Can
4. Demand, Supply, and Equilibrium
5. Consumers and Incentives
6. Sellers and Incentives



7. Perfect Competition and the Invisible Hand
8. Externalities and Public Goods
9. Monopoly
10. Game Theory and Strategic Play
11. Oligopoly and Monopolistic Competition
12. Markets for Factors of Production

4. Learning and teaching strategy, methodology

Principal teaching methodologies: lecture, quizzes, in-class discussion

Lectures focus on the interpretation of the theory (CILO 1, 2, and 4). Seminars aim to help students apply the theoretical concepts on calculus and everyday examples (CILO 3, 5, 6, and 7). Weekly on-line quizzes give an incentive to students to revise chapters discussed during the previous class and get feedback on their level of knowledge. It also supports understanding of the new learning material by refreshing the most important concepts of the previous lecture.

Exercises will be available online for individual practice. The key questions covered will include: household decisions, consumer choice; firm's output and input decisions in case of different market structures; production; factor demand and supply decisions; micro-effects of taxation; externalities.

5. Assessment

Formative assessment elements: Sample exams for practice will be given to students before the final and the midterm exams. The solutions to the exercises will be discussed during the seminars, so students get feedback to be able to assess their knowledge level and identify areas to be developed, and request further explanation if needed.

Summative assessment elements:

Individual Assessment		100%	Group Assessment		0%	
Name of the element	Weight	Type	Details	Retake opportunity	Req.*	Related CILOs
Midterm exam	40%	exam	A written exam based on chapters 1-5, containing single-choice, calculus, and theoretical questions.	one retake opportunity	yes	1,2,3,5
Final exam	60%	exam	A written exam based on chapters 1-12, 15, 16, containing single-choice, calculus, and theoretical questions.	one retake opportunity	yes	3,4,5,6

* Req.: Completion of the element is required to pass the course, irrespective of the performance in other elements.



6. Learning materials

- Essential

Michael PARKIN (2018): *Economics*. Pearson. 13th Edition.

- Recommended

David BEGG – Stanley FISCHER – Rudiger DORNBUSCH: *Economics*. Part 1–3. McGraw-Hill. (seventh or newer edition).

Daron Acemoglu – David Laibson – John A. List (2016): *Economics*. Part I–III. Pearson Education

7. Further information

International aspects embedded with the course
Examples of production and consumption decisions with an international dimension (e.g. multinational companies, labour vs. capital intensive production based on location)
Ethics, Responsibility & Sustainability (ERS) aspects embedded with the course
Welfare effects of imperfect market structures, externalities, taxation and regulation possibilities to minimize/eliminate deadweight loss.
Connections to the world of practice of the course
Company examples for production and market structures.