

ADE 307 Microeconomics

Credits: 4

OVERVIEW

The course covers fundamentals of economics with a focus on microeconomics. It is proposed to address the key economic concepts with mathematical and instrumental support in order to solve problems. It is an approach to the way economics was established (by defining its purpose, method and theory system). It informs one of the principles that determine markets, its agents and decisions making use of mathematics in defining and solving problems. It will help students to obtain a total, aggregate, and global view of Economics in order to help students to understand its operation. To better understand the economic differences between nations we will discuss issues related to growth, sustainable development, poverty, and war.

OBJECTIVES

What is it? Microeconomics	It is the study of the behavior of individual units (individuals, families, businesses, and markets)
What needs does it address?	The needs of the individual, collective needs, and the social relations of production
What does it pursue?	One of the goals of microeconomics is to understand the mechanisms effects of changes in institutional variables like the type of market organization (perfect competition, monopoly, oligopoly, etc..), Or the levels and types of tax. Duopoly, trust, etc..)
What does it deal with?	It deals with the analysis of the behavior of individual agents and their interaction
What does it reveal?	Socio-economic relations, ie related to sociology, politics, administration, marketing, ethics, among others

Problem: Economic: How to satisfy human needs that are abundant using scarce resources?

Solving social needs: Meeting human needs from what? How? And Who? Production.

Areas of Knowledge: Economic, social, and technological

OBJECTIVES

- Understanding the mechanisms by which prices and quantities are set for exchange between individual participants in the economy.
- Analyze the effects of changing institutional variables or types of market organization and know the levels or types of taxes affecting participants.
- Interpret the theory of supply and demand, the determining factors, its expansions and contractions, as they change with the level of income and the utility of consuming goods and services, the differences between the individual offer and the offer of market. Analysis of supply over time.
- Recognize the equilibrium of goods and services in the market, their determinants, modifiers, and analysis of the results.
- Analyze the GDP, National Income, Investment and Government expenditure as mechanisms to promote the development of the country's economy.

CONTENTS

UNIT	1		
Analyze the effects of changing institutional variables or types of Market Organization (Perfect Competition, Oligopoly, Duopoly, Monopoly, etc.)			
Knowledge	Skills	Values	
The effects of changing the variables on supply and demand.	Analyzes the effects of change on institutional variables through critical analysis and application in order to familiarize students with market structure.	Social responsibility, ethics and fair competition at time of entry into the market.	
Daily assignment: <ul style="list-style-type: none">Investigate key concepts: competitiveness, productivity, competitive advantage and differential advantage.Perform a comparative analysis between perfect and imperfect competition; Identify the similarities and differences between the two.			

UNIT	2		
Understand economic thinking and perception of economic problems of every doctrine, through the historical process and current context.			
Knowledge	Skills	Values	
Schools of economic thought and perception of the economic problem.	Know each school of economic thought as related to economic problems according to their approach. Identify resources and needs. Analyze the probable cases of the PPF to make production decisions.	Respect and tolerance for contrary ideas, doctrinal ethics when analyzing the economic problem. Determine when making decisions regarding production and consumption.	
Daily assignment: <ul style="list-style-type: none">Investigate key concepts: Law of rising costs and diminishing returns; Opportunity Cost.Perform an economic analysis of the marginal rate of substitution and the marginal utility; Identify the similarities and differences between the two and the ways which it influences the consumer's budget constraint from the previous analysis.			

UNIT	3		
Recognize the functions of the market mechanism and rational consumer behavior			
Knowledge	Skills	Values	
The automatic adjustment mechanism of the market. The rational consumer behavior.	Know the functions of automatic regulation in the free market. Understood in theory, the functions of the Supply and Demand in centralized and intervened markets. To analyze the existence of market failures and how to counter them.	Reflect on the importance of financial management in the organization. Fairness and equal opportunity in the free market. Procedural ethics in establishing honest market relations and eradicating corruption.	
Daily assignment: <ul style="list-style-type: none">Investigate key concepts: Centralization and decentralization of the market, market structure and composition.			

- Perform a comparative analysis of the Free Market and Central Market and Planned Market; Identify similarities, differences, advantages and disadvantages.

UNIT	4		
Know and differentiate the supply and demand for the establishment of market equilibrium through pricing and quantities for equilibrium.			
Knowledge	Skills	Values	
The Theory of Supply and Demand Theory. Market Equilibrium and pricing and quantities supplied and balance of demand. (Agreement between producers and consumers)	Knowing the theoretical framework of Supply and Demand. Understanding theoretically the operation of the determinants of the Supply & Demand market and rational behavior of producers and consumers. To analyze the changes in demand and quantity demand. To analyze the changes in the supply and quantity supply.	Fairness and equal opportunity in the free market. Ethics procedural fairness in establishing market relations and eradicate corruption. Procedural ethics in establishing honest market relations and eradicating corruption.	
Daily assignment: <ul style="list-style-type: none">Investigate key concepts: Changing the equilibrium producer surplus, consumer surplus;Perform an economic analysis of the price elasticity of demand, income elasticity of demand, elasticity of supply; Identify similarities, differences, advantages and disadvantages.			

ASSESSMENT

Quizzes & assignments: 60%
Final project: 40%

REFERENCES

AUTHOR	TITLE	YEAR	EDITION
Paschoal Rosseti	Visión panorámica de la Economía	2009	Última edición
William Nordhaus	Nuevo mundo económico	2009	Penúltima edición
Econ. Carlos Lértora D.	Apuntes y comentarios de Economía I y II	2008	Última edición
Paul Samuelson	Introducción A la Economía	2009	Penúltima edición