

## **ECONOMICS I**

Degree(s)	: Economics; Management
Type	: Compulsory course unit
Curricular year/semester	: 1st year / 1st Semester
ECTS / hours per week	: 6 ECTS / 4.0 Hours
Workload per week	: 1Theoretical x 2 Hour + 1Practical x 2 Hours
Teacher responsible	: Professor Francisco José Duarte Nunes

### **OBJECTIVES**

- To understand the basic concepts and principles of Microeconomics.
- To understand how economists reason when confronted with economic problems.
- To learn how to apply the concepts, principles, and the basic concepts of microeconomic analysis.

### **PROGRAM**

#### **PART 1: What is Economics?**

1. First principles
2. Economic models: trade-offs and trade

#### **PART 2: Supply and Demand**

3. Supply and demand
4. Consumer surplus and producer surplus
5. Price controls and quotas: meddling with markets
6. Elasticity
7. Taxes

#### **PART 3: The Consumer**

8. The rational consumer
9. Consumer preferences and consumer choice



**PART 4: The Producer**

10. Behind the supply curve: inputs and costs
11. Perfect competition and the supply curve

**PART 5: Market Structure: Beyond Perfect Competition**

12. Monopoly
13. Oligopoly
14. Monopolistic competition and product differentiation

**PART 6: Other Market Failures**

15. Externalities
16. Public Goods

The 16 topics above correspond sequentially to chapters 1 to 7 and 10 to 17 of the textbook Microeconomics by Krugman and Wells, 3<sup>rd</sup> edition, 2012. Topics 8 and 9 are in chapter 10.

**BIBLIOGRAPHY**

**Recommended Bibliography:**

- Paul Krugman and Robin Wells, Microeconomics, third edition, Worth Publishers. ISBN:10:1-4292-8342-4, 2012, 2012

**Optional Bibliography:**

- Exercise booklet , to be made available in this site throughout the term, including home exercises with answers, 2014