

**Undergraduate Programs in
Business Administration and Economics**

Microeconomics I

Academic Year: **2014/2015**

Semester: **Fall (1st)**

Instructors: Catarina Reis and Fernando Machado

A. Preliminaries

Microeconomics I is a mandatory course of the Undergraduate Programs in Business Administration and Economics.

The topics covered in the course will put an emphasis on microeconomic issues relevant to the business activity. The classes will take the organization as the center of the microeconomic analysis.

B. Objectives

Provide an intermediate knowledge of microeconomic issues with managerial relevance. Throughout the course the students should develop knowledge of techniques to understand economic phenomena related with the choice of agents (clients, workers, providers, competitors) and identify value maximizing equilibrium strategies within various market environments.

C. Contents

1. Introduction;
 2. Basic analysis of markets;
 3. Consumer choices;
 4. Production and costs;
 5. The firm in competitive and monopolistic markets;
 6. The firm in oligopolistic markets;
 7. Game theory and strategic interaction;
 8. Uncertainty and asymmetric information;
 9. Regulation and public policy.
-



D. Bibliography

The reference book for the course is:



Michael R. Baye and Jeff Price. [Managerial Economics and Business Strategy](#). McGraw Hill, Global Edition, 8th Edition, 2013

Many other books cover these topics, with similar and complementary approaches, including:



Edwin Mansfield, W. Bruce Allen, Neil A. Doherty, and Keith Weigelt. [Managerial Economics: Theory, Applications, and Cases](#). W.W. Norton & Company, Ltd., 7th edition, 2011



David Besanko and Ronald R. Braeutigam. [Microeconomics](#). International Student Edition, John Wiley & Sons, Inc., 4th edition, 2011.



Robert S. Pindyck and Daniel L. Rubinfeld. [Microeconomics](#). International Edition. Pearson, 8th edition, 2013.



Hal R. Varian. [Intermediate Microeconomics: A Modern Approach](#). International Student Edition. W.W. Norton & Company Ltd, 8th edition, 2011.

E. Classes

Lectures are organized into two sections (meeting on Tuesday and Thursday, 14:00-15:30 and 15:30-17:00) and will be devoted to the presentation and initial discussion of the course topics. The lectures are complemented by classes held in smaller sections, which will be dedicated to solve exercises and discuss examples and cases.

Class attendance is very important, and will be controlled.

F. Grading

The final grade will be a weighted average of several elements:

- 1^o Test (midterm): 37.5%
- 2^o Test: 42.5%
- Mini-tests and quizzes: 20%



Exceptionally, other elements based on classroom participation, will be taken into account and may have an impact in the final grade.

All students getting an overall grade of at least 9.5 and a test grade (weighted average) of at least 9.0 will pass the course.

Non-passing students getting an overall grade of at least 7.5 and a test grade of at least 7.0 will be given access to a final exam.

In all other dimensions, the general rules of the School will apply.

G. Teaching team

Catarina Reis and Fernando Machado (Professors); Catarina Reis will teach the first part of the course, and will be responsible for the first test. Fernando Machado will teach the second part, and will be responsible for the second test and final exam.

H. Short Bio

Catarina Reis is an Assistant Professor Católica-Lisbon School of Business and Economics. She holds a Ph.D. in Economics from the Massachusetts Institute of Technology, USA, and B.Sc. in Economics from the Catholic University of Portugal. Formerly she was Academic Director of the M.Sc. in Economics at Católica-Lisbon.

Her research focuses on macroeconomic models of optimal taxation, with a special focus on the taxation of capital income. Her research has been published in international journals such as *Macroeconomic Dynamics* and *Journal of Economic Theory*.

Fernando S. Machado is an Associate Professor at Católica-Lisbon School of Business and Economics. He holds a Ph.D. in Agricultural Economics from the University of Reading, UK, and two B.Sc.'s in Business Administration and in Economics from the Catholic University of Portugal. Formerly he was Associate Dean and Director of Católica-Lisbon's Center for Applied Studies.

His current research interests revolve around digital piracy, innovative pricing mechanisms and the analysis of consumer preferences for both market and non-market goods. His research has appeared in international journals such as the *Journal of Marketing*, *Marketing Science* and *Environmental and Resource Economics*.

I. Contacts and office hours

Catarina Reis
Email: creis@ucp.pt
Office: 5303 (3rd floor)

Fernando Machado
Email: fmachado@ucp.pt
Office: 534C (3rd floor)

The Teaching Assistants will set weekly office hours. The professors will be available upon request.