COURSE DESCRIPTION

ECONOMIC THEORY I
1ST YEAR | 1ST SEMESTER
DEGREE: BUSINESS ADMINISTRATION
IN-CLASS TEACHING
ACADEMIC YEAR: 2019/2020
SCHOOL OF BUSINESS AND ECONOMICS
1. COURSE IDENTIFICATION

1.- COURSE:

Name: Economic Theory I
Code: b102
Year (s) course is taught: 1º
Semester (s) when the course is taught: 1º
Type: Compulsory
ECTS: 6
Hours ECTS: 30
Language: English and Spanish
In-class teaching
Degree (s) in which the course is taught: Business Management
School of Business and Economics

2.- ORGANIZATION OF THE COURSE:

Department: Economics
Area of knowledge: Foundations of Economic Analysis

2. LECTURERS OF THE COURSE

1.-LECTURERS:

Instructor in charge CONTACT DETAILS
Name: Begoña Blasco Torrejón
Phone (ext): Ext. 5354
Email: blasto@ceu.es
Office: Vicerrectorado de Enseñanzas (Rectorado)

Lecturer(s) CONTACT
Name: Martha Carro Fernández
Phone (ext): Ext. 5454
Email: carfer.fcee@ceu.es
Office: B- 1.19

Lecturer(s) CONTACT
Name: María Blanco González
Phone (ext): Ext. 5661
Email: mariabg@ceu.es
Office: B- 1.23
2.- TUTORIALS:
For any queries students can contact lecturers by e-mail, phone or visiting their office during the teacher’s tutorial times published on the students’ Virtual Campus.

3. COURSE DESCRIPTION
The subject covers the study of the basic principles of the functioning of markets and the behavior of economic agents through the methods of economic analysis, such as formalized models of neoclassical theories of consumption and production and the theory of competitive and non-competitive markets.

4. SKILLS

1.- SKILLS

<table>
<thead>
<tr>
<th>Code</th>
<th>Basic and General Skills</th>
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<tbody>
<tr>
<td>CB1</td>
<td>Students should have demonstrated that they have gained knowledge of and understand an area of study at a level beyond secondary education that, even though based on advanced textbooks, it also includes aspects that are acquired from knowledge deriving from the state-of-the-art of the field of study.</td>
</tr>
<tr>
<td>CB2</td>
<td>Students should know how to apply their knowledge to their work or vocation in a professional manner and should have the skills that are usually demonstrated by compiling and defending arguments and resolving problems within their area of study.</td>
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<tr>
<td>CG1</td>
<td>Capacity for analytical and critical thinking</td>
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<thead>
<tr>
<th>Code</th>
<th>Specific Skills</th>
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<tr>
<td>CE1</td>
<td>Good command of a modern language for academic and professional purposes while acquiring oral and written communication skills</td>
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2.- LEARNING OUTCOMES:

- The student must know and understand the basic elements of microeconomic analysis. She or he also must know and understand the object, nature and methods of economic theory.
- The student must know and apply the essential concepts of economic science: supply and demand and behavioral relationships of economic agents in the markets, whether competitive or not.
- The student must be able to argue the behavior of economic agents using the language of economic analysis.

5. LEARNING ACTIVITIES

1.- DISTRIBUTION OF STUDENTS’ ASSIGNMENT:

<table>
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<tr>
<th>Total hours of the course</th>
<th>180</th>
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### EDUCATIONAL ACTIVITIES:

<table>
<thead>
<tr>
<th>Educational Activity</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Independent Work (EA0)</td>
<td>Educational activity whereby students independently manage their own learning by the study of the course material.</td>
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<tr>
<td>Seminar (EA2)</td>
<td>Educational activity focused especially on the competence of the students to develop the learning skills enabling them to assimilate content acquired beforehand, while relating economic concepts and those of similar and/or auxiliary disciplines and different theoretical and methodological approaches. Students study each subject in depth to a large extent independently. This educational activity is also centered on encouraging students to acquire the skills necessary to communicate their conclusions – and the understanding and underlying reasons supporting them – to both the specialist and non-specialist public clearly and unequivocally. Priority is given to the participation of students and their sharing of the reasoned interpretation of knowledge and the sources of their fields of study, all of which is coordinated by the professor.</td>
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<tr>
<td>Practical Workshop (EA3)</td>
<td>Educational activity focused especially on the competence of the students to use specific methodologies for resolving problems of a practical nature encountered by economists in their most applied aspects and/or the information technology tools relevant to each subject. Priority is placed on students undertaking practical activities focused on data manipulation and selection of quantitative and/or qualitative information for purposes of extracting/drawing relevant conclusions.</td>
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### ASSESSMENT OF LEARNING

### CLASS ATTENDANCE:

- In order to be eligible for examination by continuous assessment students must attend at least 75% of scheduled class time. As students may be absent 25% of the classes, no attenuating circumstances will be accepted for absences. The aim is not only the achievement of a numerical number, but it is also required a participatory and adequate attitude in the classroom from the student.
- Students who, due to reasonably justified reasons, can not attend classes in the percentage indicated above, must notify the teaching unit at the beginning of the semester, and a corresponding Course Plan adapted will be established to overcome the subject. The absence or delay of communication will cause to apply the same evaluation criteria as to his peers.
2.- ASSESSMENT SYSTEM AND CRITERIA:

<table>
<thead>
<tr>
<th>Code</th>
<th>Name</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>AS3</td>
<td>Written exam – multiple choice questions or similar</td>
<td>70%</td>
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<tr>
<td>AS9</td>
<td>Submission of case studies and practical exercises</td>
<td>30%</td>
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3.- ASSESSMENT SYSTEM DESCRIPTION:

ORDINARY EXAM. CONTINUOUS ASSESSMENT:

In order to be eligible for examination by continuous assessment students must attend at least 75% of scheduled class time.

Continual evaluation weights 50% of the final grade. Continual evaluation includes the following items: (a) written test (20%) and (b) completion of, at least, two case studies and all the exercises and practices assigned during the semester (50%).

The remaining 50% corresponds to the final test that will be held on the official date established by the Secretariat of the Faculty.

Once the academic calendar that contains the dates for all tests and activities has been prepared, continual evaluation items cannot be repeated and deadlines cannot be changed. The goal is this procedure is to ensure that all students are evaluated under the same conditions.

EXTRAORDINARY EXAM

The student who fails the course in the ordinary exam, must take the final exam of the extraordinary call, which will cover all the subjects in the syllabus (practical cases included).

7. COURSE SYLLABUS

1.- COURSE SYLLABUS:

THEORETICAL:

PART I. ECONOMICS AND THE MARKET SYSTEM

Chapter I Basic Principles of Economic Science
1. Scarcity, Choices and Election
2. Opportunity Cost

Chapter II Markets: Demand and Supply
1. The Concept of Market
2. Demand and its Basic Features
3. Supply and its Basic Features
4. Interaction Between Demand and Supply: Equilibrium and Changes to the Equilibrium

Chapter III Elasticity and its Applications
1. The Concept of Elasticity
2. Price Elasticity of Demand
3. Income Elasticity of Demand
4. Cross-price Elasticity of Demand
5. Price Elasticity of Supply

Chapter IV Consumer and Producer Surplus: The Government and the Market
1. Market Efficiency: Consumer and Producer Surplus
2. Price Controls: Minimum and Maximum Price
3. Taxes: Tax Incidence and Elasticity
PART II. MARKETS AND FIRMS

Chapter V  Production Technology and Costs
1. The Firm and the Factors of Production
2. The Production Function: Decreasing Marginal Returns
3. Accounting Costs Vis-à-Vis Economic Costs
4. Economic Costs in the Short-Run
5. Economic Costs in the Long-Run

Chapter VI  Firms under Perfect Competition
1. Characteristics of a Perfectly Competitive Market
2. The Firm in a Perfectly Competitive Market: Calculating Firms’ Profits
3. Short-Run Equilibrium in a Perfectly Competitive Market
4. The Firm’s Supply in the Short-Run

Chapter VII  Introduction to Firms under Imperfect Competition
1. Features of Imperfect Competition
2. Firms in a Monopolistic Market
3. Firms in a Monopolistic Competitive Market
4. Firms in an Oligopolistic Market

PRACTICAL WORK PROGRAMME:

Exercises and questions of theoretical issues.

8. RECOMMENDED READING

1.- ESSENTIAL BIBLIOGRAPHY:


2.- ADDITIONAL BIBLIOGRAPHY:


3.- WEB RESOURCES:

9. ATTITUDE IN THE CLASSROOM

1.- REGULATIONS

Any irregular act of academic integrity (no reference to cited sources, plagiarism of work or inappropriate use of prohibited information during examinations) or signing the attendance sheet for fellow students not present in class will result in the student not being eligible for continuous assessment and possibly being penalized according to the University regulations.