**UNIVERSIDAD CATÓLICA DEL NORTE**

## Course Schedule

| I. Course Identification |
|---|
| **Major:** Business Management<br>**Unit:** Department of Economics<br>**Name of the course:** Microeconomics<br>**Code:** EC301<br>**Schedule**: Second year |

| Prerequisites: | Prerequisite for: |
|---|---|
| Introduction to Economics<br>Mathematics II | None |

| II. Course Organization | | |
|---|---|---|
| | **Direct** | **Indirect** |
| Lecture Hours | 3 | 3 |
| TA Hours | 1.5 | |
| Lab Hours | | |
| Problem Set Hours | | |
| **Weekly Total Hours** | 7.5 | |
| **Credits** | 5 | |

| III. Purpose of the Course |
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| By the end of this course, the student will be able to understand and evaluate the analytic foundations of different economic theories related to the behavior of consumers and firms in the marketplace. |

## IV. Textbooks and Other References

**Main textbooks:**

Varian H.R. (2008). *Intermediate Microeconomics: A Modern Approach*. W.W. Norton & Company.

Nicholson W. (2007). *Microeconomic Theory: Basic Principles and Extensions*. Thomson.

Frank, R. (2005). *Microeconomics and Behavior*. Editorial Mc Graw Hill.

**Complementary readings:**

Pindyck R. S. and Rubinfeld D. L (2009). Microeconomics. Prentice Hall.

Katz, M., Rosen, H., and Morgan, W. (2007). Intermediate Microeconomics. McGraw-Hill.

## V. Thematic Units

1. **Introduction to Microeconomics**
   A. The microeconomic approach to economics
   B. Rationality, optimization, and equilibrium
   C. Practical applications of microeconomics

2. **Consumer Theory**
   A. Budget constraint
   B. Preferences and utility functions
   C. Consumer choice
   D. Shadow prices
   E. Engel curves
   F. Slutsky equation and its applications
   G. Consumer's surplus
   H. Demand curve and revealed preferences

3. **Theory of the Firm**
   A. The production function: inputs and outputs
   B. Profit maximization
   C. Cost minimization
   D. Cost curves
   E. Firm supply curve derivation
   F. The aggregation problem and industry supply curve

4. **Partial Equilibrium**
   A. Deriving the partial equilibrium
   B. Comparative statics
   C. Tax and subsidies effect on equilibrium

5. **General Equilibrium**

A. General equilibrium in a pure exchange economy

B. Pareto Efficiency and Walrasian equilibrium

C. General equilibrium analysis in production

D. Welfare and social welfare functions

## VI.  Learning Outcomes

A. Identify and differentiate consumer and firm theory elements and their respective variables.

B. Explain the foundations for the derivation of demand and supply functions.

C. Solve problems of consumer choice and firm production under competitive markets

D. Solve partial equilibrium models under competitive markets.

E. Describe how consumers make choices and firms' production decisions and how market conditions affect those decisions.

F. Interpret the main features of the General equilibrium and welfare analysis.

## VII.  Grading

A. The minimum note to approve is 4 (4.0)

B. Minimum number of exams: 3