

KG00064NABB – Microeconomics for Business

Fall Semester, Academic Year 2023/2024

Course leader:	András KÁLECZ-SIMON
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Availability:	
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Course type:	Core subject, BA in International Economics
Prerequisites:	None
Credits:	6
Number of hours per semester	52 hours per semester
Time of lecture:	TBA
seminar:	TBA

Aims and objectives and description of the course:

The first and foremost goal of the course is to convey the economic way of thinking. It also builds up the supply and demand framework – which later serves as the workhorse model for economic analysis – and shows how individual choices lead to general outcomes. Furthermore, it aims to introduce imperfections to the standard model of perfect competition and provide tools for analyzing the arising situations.

Course description

The first half of the course introduces the supply and demand framework, then deepens the understanding of the model and extends the scope of the analysis by looking under the hood. Here we investigate how consumer choices and firm-level decisions create demand and supply.

In the second half of the course we introduce new aspects of analysis (like social welfare). We also introduce some real-life imperfections (market power, externalities, uncertainty) which require more sophisticated exposition.

Methodology to be used:

The planned learning activities include:

- Individual research and application of the concepts/methods (take-home problem sets)
- Selecting a relevant problem and preparing a presentation (in groups)
- Debate on selected issues in the seminars (both individually and in groups)
- Creating infographics (in groups)
- Discussion of news articles and video clips based on the concepts learned

Detailed class schedule, 1st – 15th week:

<u>Date of class</u>	<u>Topics to be discussed, readings required for the class</u>	<u>Preparation before the class</u>
week 1	How Economists Think	Ch. 1.
week 2	Supply and Demand	Chs. 2-3.
week 3	Consumer Choice	Ch 4.
week 4	Consumption Theory	Ch 5.

week 5	Production and the Firm	Ch 6.
week 6	Costs and Profit	Ch 7.
week 7	Competition	Ch 8.
week 8	Equilibrium, Welfare and Government Intervention	Chs 9-10.
week 9	Monopoly	Ch 11.
week 10	Game Theory and Oligopoly	Chs 13-14.
week 11	Externalities and Public Goods	Ch 18.
week 12	Intertemporal Choice and Uncertainty	Chs 16-17.
week 13	Asymmetric Information	Chs 19-20.
	Final exam	TBA

Assignments: There are several assignments throughout the course. There will be two problem sets to be solved individually (published on the 5th and the 10th weeks, respectively).

There are also two group assignments: preparing an infographics (for the 8th week) and a presentation (for the last seminar). Both tasks can be done in groups of no more than 4 students, belonging to the same seminar group.

Assessment, grading:

Group presentation: 25%

Take-home problem set 1: 10%

Take-home problem set 2: 10%

Infographics : 5%

Final Exam (Exam period, in computer rooms): 50%

The final exam is a mix of true/false, multiple choice and calculation questions.

There is also an opportunity to get an offered grade by completing two additional online tests. The offered grade is calculated as follows:

Group presentation (to be presented on the 13th week): 30%

Take-home problem set 1 (published on the 5th week): 25%

Take-home problem set 2 (published on the 10th week): 25%

Infographics (Deadline: 8th week): 5%

Practice quiz 1 (on Moodle, 7th week): 7%

Practice quiz 2 (on Moodle, 13th week): 8%

Plagiarism

Any and all statements contained in any assignment or paper that are based upon ideas or words of another must be properly credited to the original author or source. Paraphrasing the ideas or words of another is acceptable so long as the original author or source is cited. DO NOT quote words or expressions from existing works verbatim without designating the passage as a quote and crediting the source. Any student who plagiarizes the work of any other person (author, professor, student, parent, friend, etc.) is committing academic dishonesty and misconduct.

Any student caught committing plagiarism will automatically fail the course.

Compulsory readings:

Perloff: Microeconomics, 8th ed., 2017, Pearson

Materials distributed by the instructor

Recommended readings:

Hirshleifer – Glazer – Hirschleifer: Price Theory and Applications: Decisions, Markets, and Information, 7th ed., 2005, Cambridge University Press

Frank: Microeconomics and Behavior, 9th ed., 2014, McGraw-Hill

Grade Conversion Table for Programs and Courses taught in English

<i>Percentage achieved</i>	<i>Hungarian Grade</i>	<i>ECTS Grade</i>	<i>International Grade</i>	<i>Explanation</i>
97-100	5	A	A+	Excellent
94-96	5	A	A	Excellent
90-93	5	A	A-	Excellent
87-89	5	B	B+	Excellent/Very good
84-86	4	C	B	Good
80-83	4	C	B-	Good
77-79	4	C	C+	Good
74-76	3	D	C	Satisfactory
70-73	3	D	C-	Satisfactory
67-69	3	D	D+	Satisfactory
64-66	2	D	D	Low pass/Sufficient
51-63	2	E	D-	Low pass/Sufficient
0-50	1	FX/F	F	Fail, 0 credit
	N		N	No grade received, 0 credit