

**Syllabus**  
**MICROECONOMICS**

**Economics and Business Department's Mission**

Contribute to economic and social development through the generation and dissemination of advanced knowledge and the training of professionals of excellence in the field of management and economics, who are distinguished by their entrepreneurial capacity, global mindset, innovative attitude and who are capable to become protagonists in generating value and impact in organizations.

**A. General Information**

<b>1. Academic Unit</b>	FACULTAD DE ECONOMÍA Y NEGOCIOS			
<b>2. Major</b>	INGENIERÍA COMERCIAL			
<b>3. Course ID</b>	ECE212			
<b>4. Credits</b>	10			
<b>5. Weekly modules</b>	Classes	2	Recitation	1
<b>6. Academic hours</b>	Classes	68	Recitation	34
<b>7. Pre-requisites</b>	Principles of Microeconomics / Calculus I			

**B. General learning objectives of the course**

Analyze and reflect on the incentive problems faced by economic agents, and examine how they interact in markets.

**C. Subject-matter units and learning objectives**

Units	Learning Objectives
<b>Unit 1: Consumer Theory</b> 1. Preferences and Utility 2. Utility Maximization and Choice 3. Individual Demand 4. Normal and inferior goods, income and substitution effects 5. Market Demand and Elasticity	+ Explain the basic model of consumer behavior: maximizing utility subject to an income constraint. + Identify the effects of changes in prices and income and deduce (graphically and mathematically) the respective individual Marshallian (ordinary) and Hicksian (compensated) individual demands. + Explain the concept of market demand and its price and income-elasticity.
<b>Unit II: Production, Costs, and Supply</b> 1. Production functions 2. Production with 2 inputs	+ Explain the basic model of the theory of the firm in the short-run and in the long-run.

3. Costs-minimizing input choices and the cost function 4. Profit Maximization and Supply	+ Distinguish the concepts of average and marginal product. + Describe a firm’s cost minimization problem, and identify total, average and marginal cost functions. + Explain the problem of profit maximization and the derivation of the short-run and long-run supply by price-taking firms in competitive markets.
<b>Unit III: Perfectly Competitive Markets and Monopoly</b>  1. Demand, Supply and Equilibrium under Perfect Competition and Applied Competitive Analysis 2. Monopoly and output choice 3. Monopoly and resource allocation 4. Monopoly, price discrimination and monopsony as demand monopoly	+ Consider the efficiency of the competitive model and analyze the effects of different government interventions. + Study a profit-maximizing monopoly and its output choice. + Describe the social cost of a monopoly and its monopoly power. + Identify monopoly price discrimination and monopsony.

#### D. Teaching strategies

Classes will be expository (and the participation of the students will be encouraged). Readings and Problem-sets will be assigned. The virtual platform Canvas, will be used.

#### E. Grading and requirements

This course will have several regular evaluations as well as a comprehensive final exam. Students will know in advance the evaluation criteria used by the instructor responsible for the course.

#### Requirements and Grading

Midterm Exam 1 (“Certamen 1 “)	20%
Midterm Exam 2 (“Certamen 2 “)	20%
Problem Sets and Reading Tests	20%
Final Exam	40%
<b>TOTAL</b>	<b>100%</b>

**NOTE:** A minimum class attendance of 75% is required to pass the course

#### F. Learning resources

##### Required Bibliography

- R. Frank, Microeconomics and Behavior. McGraw Hill, 9th Ed., 2015.
- R. Pindyck & D. Rubinfeld, Microeconomics. Pearson, 8th Ed., 2013.