

Microeconomics

Mikroekonomi

12 credits

Programme course

730G60

Valid from: 2016 Autumn semester

Determined by	Main field of study	
The Quality Board at the Faculty of Arts and Sciences	Economics	
Date determined	Course level	Progressive specialisation
2008-09-11	First cycle	G1F
Revised by	Disciplinary domain	
	Social sciences	
Revision date	Subject group	
2016-06-27	Economics	
Offered first time	Offered for the last time	
Autumn semester 2008	Autumn semester 2023	
Department	Replaced by	
Institutionen för ekonomisk och industriell utveckling	730G13	

Course offered for

- Business and Economics Programme

Entry requirements

General entry requirements for undergraduate studies
and

Social Studies, English, and Mathematics corresponding to the level of Swedish upper secondary education (Samhällskunskap 1b or 1a1 and 1a2, Engelska 6 and Matematik 3b/3c or Matematik C)

and

Introduction to Economics, 8 ECTS credits

Intended learning outcomes

On completion of the course, the student should be able to

- account for how resource allocation via price fixing functions in a market economy under different market types
- account for the meaning of efficient resource allocation, have an understanding of the conditions in a market that leads to efficient resource allocation and understand the conditions that lead to markets not functioning efficiently
- account for why socioeconomic profitability calculations are done and how they are carried out.
- explain the history behind the origin of international trade and the welfare effects of trade and trade policy
- apply economic models in order to analyse microeconomic problems, such as
- explain how markets are influenced by various types of disturbances, for example fluctuations in demand and political interventions
- determine if a market is efficient, and what may increase efficiency
- evaluate the welfare effects of public decisions

Course content

Prior to this course, the student should be familiar with the basic economic problems, have the ability to use economic reasoning and have knowledge of the determinants of demand and supply, different production and cost relationships for a company and how a market with perfect competition functions. The course is a continuation of the course Introduction to Economics.

The following is covered in the course

- theories on how the household makes its choices in the commodities and factor market, and how the choice is influenced by a change in prices, salaries and income.
- how the resource allocation of goods, services and production factors work in different forms of imperfect competition, such as monopoly, monopolistic competition, oligopoly and monopsony. This part also contains the bases of game theory.
- the basic concepts of economic welfare theory, how socioeconomic efficiency is defined in welfare theory and how an economy with perfect competition in all markets in the ideal case leads to socioeconomic efficiency.
- the conditions that lead markets to function in a socioeconomically inefficient way and the measures that can then be taken.
- how to explain, from a so called public-choice perspective, why public encroachments in the market economy can sometimes lead to a deteriorated efficiency.
- how efficiency is influenced by different kinds of taxes and different ways of taxing publicly provided goods and services.
- why socioeconomic profitability calculations are done and how they are carried out.
- the history behind the origin of international trade and the welfare effects of trade and trade policy
- current economic policy, for example environmental policy and housing policy, but possibly other fields as well.

Teaching and working methods

The teaching in the course takes the form of a number of exercises or seminars. At these, assignments and problems that the student is expected to prepare in advance, independently or in groups, are discussed. A number of lectures are also held to help the student structure the course contents. The student in other respects works independently with studies of the reading list and with practical assignments.

Examination

The course is completed with a written examination and group assignment

If special circumstances prevail, and if it is possible with consideration of the nature of the compulsory component, the examiner may decide to replace the compulsory component with another equivalent component.

If the LiU coordinator for students with disabilities has granted a student the right to an adapted examination for a written examination in an examination hall, the student has the right to it.

If the coordinator has recommended for the student an adapted examination or alternative form of examination, the examiner may grant this if the examiner assesses that it is possible, based on consideration of the course objectives.

An examiner may also decide that an adapted examination or alternative form of examination if the examiner assessed that special circumstances prevail, and the examiner assesses that it is possible while maintaining the objectives of the course.

Students failing an exam covering either the entire course or part of the course twice are entitled to have a new examiner appointed for the reexamination.

Students who have passed an examination may not retake it in order to improve their grades.

Grades

Three-grade scale, U, G, VG

Other information

Planning and implementation of a course must take its starting point in the wording of the syllabus. The course evaluation included in each course must therefore take up the question how well the course agrees with the syllabus. The course is carried out in such a way that both men's and women's experience and knowledge is made visible and developed.

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If special circumstances prevail, the vice-chancellor may in a special decision specify the preconditions for temporary deviations from this course syllabus, and delegate the right to take such decisions.