

MICROECONOMICS

Course code	<i>ECO101</i>
Compulsory in the programmes	<i>Economics and Data Analytics, Economics and Politics, Finance</i>
Level of studies	<i>Undergraduate</i>
Number of credits	<i>6 ECTS (48 contact hours + 2 consultation hours + 110 individual work hours + 2 hours of examination)</i>
Course coordinator	<i>Dominyka Žiaukaitė</i>
Prerequisites	<i>Principals of Business, Economics and Management</i>
Language of instruction	<i>English</i>

AIM OF THE COURSE:

This course provides an introduction to the analysis of economic behaviour. The ability to predict market outcomes is indispensable not only for a sound business strategy, but also for a meaningful public policy. The main focus of the course is on optimal decision making, understanding determinants of demand and supply, market equilibrium, strategic behaviour, and welfare analysis. Introduction to choice under uncertainty is also covered.

The course will teach an analytical approach to the functioning of market mechanisms, economic behaviour of market participants, market environment impact on competition, and business strategies. Students will acquire the skills and the ability to apply microeconomic analysis and optimization methods to a large variety of economics / business problems.

MAPPING OF COURSE LEVEL LEARNING OUTCOMES (OBJECTIVES) WITH DEGREE LEVEL LEARNING OBJECTIVES (See Annex), ASSESMENT AND TEACHING METHODS

Course level learning outcomes (objectives)	Degree level learning objectives BBM	Degree level learning objectives BSC	Assessment methods	Teaching methods
CLO1. Understand the main theories in microeconomics	BLO 1.1 BLO 1.2	ELO 1.1 ELO 1.2	Midterm exam, final exam	Lectures, seminars, individual work
CLO2. Analyse and model microeconomic phenomena	BLO 1.1	ELO 1.1 ELO 1.2 ELO 2.1	Midterm exam, final exam	Lectures, seminars, individual work
CLO3. Evaluate governmental policy as it relates to microeconomics	BLO 1.1 BLO 4.2	ELO 1.1 ELO 1.2	Midterm exam, final exam	Lectures, seminars, individual work
CLO4. Graphically model microeconomic situations	BLO 1.1 BLO 4.2	ELO 1.1 ELO 4.2	Midterm exam, final exam	Lectures, seminars, individual work
CLO5. Relate real economic experiences to theory	BLO 1.2 BLO 4.2	ELO 1.2 ELO 4.2	Midterm exam, final exam	Lectures, seminars, individual work
CLO6. Identify economic situations at the firm and personal level	BLO 1.2 BLO 4.2	ELO 1.2 ELO 4.2	Midterm exam, final exam	Lectures, seminars, individual work

ACADEMIC HONESTY AND INTEGRITY

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. Regarding remote learning, ISM reminds students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting.

COURSE OUTLINE

Topic	In-class hours	Readings
Topic 1: Introduction. Basics of Supply and Demand	4	Ch 1, 2
Topic 2: Consumer Theory I	4	Ch 3
Topic 3: Consumer Theory II	4	Ch 4
Topic 4: Uncertainty	4	Ch 5
Topic 5: Producer Theory I	4	Ch 6, 7
Topic 6: Producer Theory II	4	Ch 7, 8
<i>Midterm exam</i>	2	
Topic 7: Analysis of Competitive Markets	4	Ch 9
Topic 8: Markets with Asymmetric Information. Externalities and Public Goods	4	Ch 17, 18
Topic 9: Monopoly and Monopsony	4	Ch 10
Topic 10: Monopolistic Competition and Oligopoly. Game Theory (I)	4	Ch 12, 13
Topic 11: Monopolistic Competition and Oligopoly. Game Theory (II)	4	Ch 12, 13
<i>Course review</i>	2	
	Total: 48 hours	
CONSULTATIONS	2	
FINAL EXAM	2	

FINAL GRADE COMPOSITION

Type of assignment	%
<i>Group Components 0%</i>	
<i>Individual Components 100%</i>	
Midterm exam	55
Final exam	45
Total:	100

DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

Midterm exam. The midterm exam will be based on **topics 1-6**. Students will be asked to solve problems, answer test and open-ended questions. The midterm exam will account for **55%** of the final grade.

Final exam. The final exam will be based on **topics 7-11**. Students will be asked to solve problems, answer test and open-ended questions. The midterm exam will account for **45%** of the final grade.

RETAKE POLICY

After receiving a failing final cumulative grade, a student can take the retake exam. The retake exam will be based on **all** course material (**topics 1-11**). The retake exam will account for **100%** of the final grade.

REQUIRED READINGS

Pindyck R.S., & Rubinfeld D.L. (2015). *Microeconomics*. United States: Pearson Education.
(Relevant chapters are indicated in the course outline)

ADDITIONAL READINGS

Varian, H.R. (2010). *Intermediate microeconomics: A modern approach*. United States: Norton.

Information on additional literature, if any, will be given during the course.

ANNEX

DEGREE LEVEL LEARNING OBJECTIVES

Learning objectives for the Bachelor of Business Management

Programmes:
International Business and Communication,
Business Management and Marketing,
Finance,
Industrial Technology Management,
Entrepreneurship and Innovation

Learning Goals	Learning Objectives
Students will be critical thinkers	BLO1.1. Students will be able to understand core concepts and methods in the business disciplines
	BLO1.2. Students will be able to conduct a contextual analysis to identify a problem associated with their discipline, to generate managerial options and propose viable solutions
Students will be socially responsible in their related discipline	BLO2.1. Students will be knowledgeable about ethics and social responsibility
Students will be technology agile	BLO3.1. Students will demonstrate proficiency in common business software packages
	BLO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	BLO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	BLO4.2. Students will be able to convey their ideas effectively through an oral presentation
	BLO4.3. Students will be able to convey their ideas effectively in a written paper

Learning objectives for the Bachelor of Social Science

Programmes:
Economics and Data Analytics,
Economics and Politics

Learning Goals	Learning Objectives
Students will be critical thinkers	ELO1.1. Students will be able to understand core concepts and methods in the key economics disciplines
	ELO1.2. Students will be able to identify underlying assumptions and logical consistency of causal statements
Students will have skills to employ economic thought for the common good	ELO2.1. Students will have a keen sense of ethical criteria for practical problem-solving
Students will be technology agile	ELO3.1. Students will demonstrate proficiency in common business software packages
	ELO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	ELO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	ELO4.2. Students will be able to convey their ideas effectively through an oral presentation
	ELO4.3. Students will be able to convey their ideas effectively in a written paper