# . - Microeconomics

## Proff. Paolo Rizzi-Chiara Mussida

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course aims to supply the main theoretical and analytical tools needed in microeconomics for understanding the workings of modern economic systems; the decision-making processes of economic agents; the inter-relationships between firms and their external environment; how markets function; competitive and non-competitive strategies, the properties of market efficiency; examples of market failures.

In terms of skill-objectives at the end of the course the student should demonstrate to:

* understand the main theoretical and analytical tools of the microeconomics useful to understand the functioning of the modern economic systems
* apply the concepts and methodologies learned into the current economic context, both to its productive sectors and to its different markets
* deepen the knowledge and the instruments learned autonomously to understand the functioning of the main market structures (perfect competition, monopoly markets, oligopoly) and the interactions among consumers, firms and workers
* be able to present the acquired knowledge especially for the analysis of the process of local development

***COURSE CONTENT***

Part I: The consumer and the firm (prof. P. Rizzi)

*Consumer behaviour*

* Budget constraint, preferences, utility maximization and consumer choice.
* Individual and market demand, elasticity of demand.

*The theory of the firm*

* Technological constraints: short-term and long-term production function and cost functions; optimal combination of productive factors; factors demand functions.

Part II: Market structures (prof. C. Mussida)

*Perfect competition*

* The competitive firm in the short- and long-run; firm and market supply in perfect competition.

*Monopoly Markets*

* Monopoly equilibrium and price discrimination.

*Oligopoly*

* Cournot, Stackelberg and Bertrand models; collusion.
* Introduction to game theory.

*Exchange Economy and the market*

* General economic equilibrium and economic efficiency.

***READING LIST***

D.A. Besanko-R.R. Braeutigam, *Microeconomia*, McGraw-Hill Milano (any edition).

Further readings will be assigned in class and published on the Blackboard page of the course.

***TEACHING METHOD***

Lectures and collective discussions on current economic issues.

***ASSESSMENT METHOD AND CRITERIA***

The course foresees two written exams: a midterm and final written with open questions and exercises on the entire content of the course. A project on one of the topics of the course can be proposed in substitution of one of the questions on the written exam. Each question will contribute to the final mark with a specific weight accoding to its content. The final mark will not necessarily be the exact sum of the marks obtained for each question. It will take into account the overall standard of of the exam (consistency among the replies provided, synthesis and analytical abilities where suitable, etc.) In general, students will be assessed on their understanding of the deduction process and of the economic relevance of the results.

A mid-term exam will be given at the end of the first part of the course. Those who pass the mid-term exam may take the final one which will cover only the second part of the course. Those who do not take or pass the mid-term exam can take the final exam which covers the entire course content.

In the case of students not attending class the closed book written exam is worth 100%.

The course evaluation is expressed by means of a grade on a 30-point scale.

***NOTES AND PREREQUISITES***

Since this is an introductory course, no previous knowledge is required. Attending the lectures is not compulsory, but is strongly recommended.

***OFFICE HOURS FOR STUDENTS***

Information on office hours of Prof. Paolo Rizzi and Chiara Mussida are available at <http://docenti.unicatt.it/>