# Principles of Economics

## Prof. Laura Solimene

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

The course illustrates the mechanisms behind the workings of an economic system. It introduces the basics of micro-economic theory – costs, supply and demand - and then moves on to analyse the organisation of markets. The second part develops the macroeconomic analysis exploring the functioning of the economic system in general and its main drivers, such as productivity, employment, inflation and others.

At the end of the course, students will be able to acquire a general overview of the relations between the different actors of the economic system (companies, consumers and public sector), and analyse the main market structures. In addition, students will understand the most important macroeconomic aggregates: income, gross domestic product, inflation, employment and unemployment.

***COURSE CONTENT***

The course covers the following topics:

An outline of the development of the Italian economic system.

– Individual supply and demand, market supply and demand and equilibrium.

– Production and production costs.

– The cost of taxation.

– The theory of consumer’s choices.

– Perfect competition, monopoly and oligopoly.

– Price determination, product differentiation and R&D strategies.

– Gross National Product.

– Economic growth: productivity and its determinants.

– Inflation and unemployment.

– Externalities and public goods.

– The imperfect information.

– Antitrust and regulation.

***READING LIST***

G. N. Mankiw-M. P. Taylor, *Principi di economia,* Zanichelli, Bologna, 7th Italian edition, 2018.

Details of the specific chapters to study along with potential additional materials will be available on the *e-learning* platform at <http://blackboard.unicatt.it>.

***TEACHING METHOD***

The teaching method is largely based on lectures and exercises which are designed to link theoretical aspects with the economic system functioning. The attendance is strongly recommended.

***ASSESSMENT METHOD AND CRITERIA***

A written 50 multiple choice questions exam of 60 minutes length: 25 questions on the first part and 25 on the second part of the course programme. For each part 20 correct answers are scored with 1 point, while 5 corret answers are scored with 2 points. There will be a potential interim test at the end of semester 1, in line with the academic framework of the degree course.

The primary aim of the exam is to assess students’ economic reasoning skills, basic analytical accuracy and the ability to critically analyse contents.

Any possible change in the assesment method will be promptly available on the *e-learning* platform at <http://blackboard.unicatt.it>.

***NOTES AND PREREQUISITES***

There are no prerequisites for attending the course. It is assumed interest, intellectual curiosity about the economics phenomenon, their causes and effects on society as a whole.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG or on the Faculty notice board.