# Principles of Political Economy (degree in Sociology)

## Prof. Teodora Erika Uberti

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

*Knowledge and understanding*

At the end of the course, students will know the basic notions and tools of rational choice necessary to describe the consumer and corporate behaviour in the different market forms, each of which students will be able to distinguish the characterizing features. They will also be able to know the basic elements of aggregate economic analysis and to identify and characterize the main economic variables that determine levels of productive activity implemented in an economic system and therefore of the national income; in addition, they will know the main instruments of intervention for fiscal and monetary macroeconomic policy.

*Ability to apply knowledge and understanding*

At the end of the course, students will be able to:

- describe in an analytical and graphic form the choice of consumption plans that are excellent for consumers;

- determine strategies for maximizing corporate profits in various market forms in analytical and graphic form;

- understand the reasons for the so-called market failures;

- determine the level of national income, both in a simple model with only real quantities, and in a model in which financial quantities are also analysed, in analytical and graph form;

- know the economic meaning of magnitudes such as unemployment and inflation;

- characterize the fiscal and monetary policy measures necessary to achieve full employment in analytical and graph form;

- use all the techniques listed to discuss economic problems in a rigorous way.

Students will therefore be able to apply economic rigour to interpreting socio-economic issues, in a way that is complementary to the sociological perspective offered in the course.

***COURSE CONTENT***

*Introduction:* Object and method of Political Economy.

*Microeconomics*

– Consumer’s choice

– Individual and market demand.

– Production and costs

– Revenues and profits.

– Firm and market structure: perfect competition, monopoly and oligopoly.

– Market failures: public goods and externalities.

*Macroeconomics*

– General economic balance.

* National accounting elements and macroeconomic objectives, such as macroeconomic growth, inflation and unemployment.

– National accounting and macroeconomic issues

– The determination of national income in the Keynesian model.

– The interaction between markets of goods and financial assets: the IS-LM scheme.

* Fiscal and monetary policy.

***READING LIST***

The course book is:

J. Sloman-D. Garratt, *Elementi di economia,* Il Mulino, Bologna, 2018, 8th ed.

Any additional readings, diagrams and exercises will be made available on the *Blackboard* platform

***TEACHING METHOD***

The course structure includes both lectures and classes. Theoretical topics both in microeconomics and macroeconomics will be presented during lectures, while classes will be devoted to make the student become familiar with the logic, graphical representation and resolution algorithms for the models covered by the course. Teaching material, particularly related to classes, will be published on *Blackboard*.

***ASSESSMENT METHOD AND CRITERIA***

The exam can be passed in two ways: through ‘interim written exams’ or through a single ‘final written test’ on official exam dates.

In the first modality, two written interim tests will be carried out: one on the first part of the course programme that will take place approximately in January / February 2024, and one on the second part of the programme that will take place towards the end of May 2024.

The two interim written tests include both theoretical questions and graph analysis, as well as exercises in applying analytical methods, proposed during practical classes for which a sufficient assessment must be achieved. The assessment procedure is ‘cascade’: failure to pass the first partial test prevents access to the second partial test.

The final mark will be the weighted average of the two interim tests.

In addition, and upon students’ free choice, it is possible to carry out *4 self-assessment tests* (2 on the first part and 2 on the second part) to be performed on the *Blackboard* platform and aimed at testing the skills learned during lectures and practical classes. The average mark of the 4 tests will be added to the final mark, which can be increased up to a maximum of 2 points.

Incomplete tests will not be taken into consideration for increasing the mark.

It is necessary to register for the first interim test through the *Blackboard* platform in the dedicated area.

Concerning final mark registration, please note that students who fail to register for the exam with the I-catt application will not have their final mark registered.

Alternatively, students can take a final written exam followed by a possible oral exam, starting from June 2024, on one of the official exam dates. The written test on the official exam date includes both theoretical questions and graph analysis, and exercises, with the prevalence of the latter.

Also, in this case, it is possible to apply additional points from self-assessment tests.

Incomplete tests will not be taken into consideration for increasing the mark.

Please note that students who fail to register for the exam via the *iCatt* application will not be allowed to take the exam.

***NOTES AND PREREQUISITES***

During the course the Blackboard platform will be used, so students are advised to have their own access password and to monitor the dedicated page, as well as to verify that their email is correct so they do not miss communications from the lecturer.

Being an introductory course, there are no specific prerequisites relating to economic content. However, students are expected to have knowledge of algebra and basic geometry at the level normally offered by secondary school. The first practical classes are also aimed to familiarize students who do not have experience with some elementary analytical tools, such as: the graphical representation of a function in the Cartesian axis system, the concept of derivative, the exponent rule for calculating derivatives.

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.