# Microeconomics

## **Prof. Daniele Moro**

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

The aim of the course is to provide an appropriate training in microeconomic theory and policies especially with respect to consumer’s and firm’s behaviours and different market structures, including also potential market failures. A rigorous formal approach will be integrated with the reference to concrete examples and real events. During the course, students are also expected to react when questions are posed by the instructor whenever a critical analysis is required.

By the end of the course, students should be able to:

* use a rigorous logical reasoning in tackling economic problems;
* understand the main laws governing the functioning of the economy from a microeconomic perspective;
* recognise the reasons behind market failures and understand market policy interventions and their impact on agents and markets.

***COURSE CONTENT***

Introduction to microeconomics

1. Consumer theory
* Budget constraint (2)
* Preferences and utility functions (3, 4)
* Optimal choice of consumers (5)
* Consumer demand and market demand (6, 8, 14, 15)
1. Production theory
* Technological constraints and production functions (19)
* Optimal choices of firms (20, 21, 22)
* Firm and industry supply in perfect competition (23, 24)
1. Market
* Market equilibrium, taxes and subsidies (16)
1. Other market structures and market failures
* Monopoly and monopolistic behaviour (25, 26)
* Oligopoly (28)
* An introduction to game theory (29, 30)
1. General economic equilibrium
* Exchange economy (2x2 model) (32)
* Production economy (2x2x2 model) (32)
* Welfare (34)

***READING LIST***

H.R. Varian, *Intermediate Microeconomics – A modern approach,* 9th ed., W. W. Norton & Company, New York-London, 2014 (in the course content section, for each topic, chapters are reported in brackets).

Additional material will be provided during the course and uploaded on the Blackboard platform.

***TEACHING METHOD***

Lectures and class work. Lectures will be integrated with examples/exercises. A one-credit of tutorials (12 hours) will be scheduled during the course.

Full attendance and active participation are recommended.

***ASSESSMENT METHOD AND CRITERIA***

The evaluation process is based on:

1. a written mid-term exam, at the end of the first part of the course. Passing the mid-term exam allows to take a written final exam at the end of the course only on the second part of the course (50% of the final grade)
2. a written final exam (for students who do not participate to the mid-term exam or do not pass it, it will be a written exam on the whole programme: either 50% or 100% of the final grade)
3. class work participation (up to 3 additional points on the final grade, only for students attending lectures and participating to class work)

Both tests consist of open questions (exercises) and multiple choice questions (the weight of each question will be provided on the exam-paper)

The main purpose of the exam is to assess reasoning ability, economic logic and analytical rigour together with the ability to approach the solution of economic problems.

The final grade is expressed on a 30-point scale.

***NOTES AND PREREQUISITES***

Office hours will be decided at the beginning of the course: further information available on Blackboard and on the instructor's personal webpage:

https://docenti.unicatt.it/ppd2/en/docenti/03436/daniele-moro/profilo

To contact the instructor: daniele.moro@unicatt.it

Prerequisites: Matematica Generale (calculus and optimization)