



FICHA MEMORIA DOCENTE
Curso Académico 2006/07

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CODE	3434	COURSE NAME/TITLE	MICROECONOMICS						
DEGREE	HIGH AGRICULTURAL ENGINEER					TYPE			
ORIENTATION	AGRICULTURAL ECONOMICS								
ESTUDIES PROGRAM	1999	CYCLE	2 nd	COURSE	4 th	SEMESTER	7	FOUR-MONTH PERIOD	A

DEPARTMENT ⁽¹⁾	- ECONOMICS AND SOCIAL SCIENCES -
AREA ⁽¹⁾	- ECONOMY, SOCIOLOGY AND AGRICULTURAL POLICY -
COURSE COORDINATOR ⁽¹⁾	JOSE M ^o GARCIA ALVAREZ-COQUE
TEACHING STAFF	JOSE M ^o GARCIA ALVAREZ -COQUE
⁽¹⁾ En el caso de haber más de un departamento ó área que imparta docencia en la asignatura, rellenar una ficha para cada uno de ellos y una conjuntamente firmada por los responsables y directores de todos ellos.	

TOTAL CREDITS:	9		
TOTAL THEORY	4.5	TOTAL PRACTICE	4.5
T. AULA (TA) CLASSROOM	4	P. AULA (PA) CLASSROOM	4
T. SEMINARIO(TS) SEMINAR	0.5	P. INFORMÁTICA ⁽³⁾ (PI) LABORATORY	0.5
T. TUTORIZADA ⁽²⁾ (TT) TUTORIALS		P. LABORATORIO LABORATORY PRACTICE	
		P. CAMPO FIELD WORK	
		P. TUTORIZADA ⁽²⁾ (PT) TUTORIALS	
⁽²⁾ Únicamente en el caso de asignaturas con actividades programa de innovación educativa y convergencia europea (PAEEES) ⁽³⁾ Especificar si los créditos se imparte en aulas de la Escuela o del Departamento			

Valencia, a 3 de abril de 2006

Fdo.	Fdo.	Fdo.
Fdo.	Fdo.	Fdo.
Firmas del profesor/es responsable y del Director/es del Departamento		



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«ASI» «NOMASI»

«DEP»/ «v_dptos»
«v_areas»

COURSE TITLE: MICROECONOMICS

OBJECTIVES

- 1- To show the economic decision-making by individuals
- 2.- To illustrate the firm's choices according to their costs and available technologies
- 3.- To understand the different market types, including markets for factor inputs, and the equilibriums provoked by different market conditions
4. To illustrate the economic efficiency stemming from market equilibriums
5. To analyse the market failures, externalities and public goods and their affection to agricultural markets and policies

EVALUATION

Exam (75%) at the end of the semester and practice (25%), to be assessed by means of the students' deliveries for each activity.



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COURSE TITLE: MICROECONOMICS

CONTENTS: THEORY (1/2)

Unit 1.- INTRODUCTION AND BASIC CONCEPTS

The Economic Science. Basic mechanism of supply and demand. (reminder of the previous subjects)

Unit 2.- CONSUMER CHOICE

Consumer preferences and indifference curves. Utility and marginal utility. The budget line. Consumer equilibrium and derivation of the demand curve.

Unit 3.- CHOICE UNDER UNCERTAINTY

Risk, probabilities and expected value. Expected utility theory. Risk aversion and risk premium. Insurances and diversification.

Unit 4.- PRODUCTION WITH TWO VARIABLE INPUTS

The production function. Isoquants and isocost line. Firm's equilibrium. The expansion path of the firm.

Unit 5.- PERFECT COMPETITION

Characteristics of competitive markets. Equilibrium for the short and long term. The supply curve. Taxes for competitive firms

Unit 6.- MONOPOLY

Definition and sources of monopoly power. Firm's equilibrium in the short and the long term. The multiplant firm. Price discrimination.

Unit 7.- MONOPOLISTIC COMPETITION

Definition and characteristics. Firm's equilibrium. The cost of variety.

Unit 8.- OLIGOPOLY (I)

Interdependence. Sweezy's basic model. The models of Cournot, Bertrand and Stackelberg. Prices' leadership.

Unit 9.- OLIGOPOLY (II)

Game theory. Dominant strategies. Nash equilibrium and maximin-minimax principle. Prisoner's dilemma. Commitments. Entry deterrence.



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CONTENTS: THEORY (2/2)

Unit 10.- MARKETS FOR FACTOR INPUTS

Marginal product theory. Perfectly competitive markets for variable factors. Imperfect competition markets for variable factors. Fixed factors pricing.

Unit 11.- GENERAL EQUILIBRIUM AND ECONOMIC EFFICIENCY

General equilibrium analysis. Pareto's criterion. Efficiency in consumption, production and market. Perfect competition and efficiency. Welfare economics. State interventions.

Unit 12.- EXTERNALITIES

Definition and breakdown. Inefficiencies in positives and negative externalities. The market solution and the public solution. The tragedy of the common property resources.

Unit 13.- PUBLIC GOODS

Definition. Public goods and market failure. Efficient amount of public goods. The problem of consumer preferences

Unit 14.- ASYMMETRIC INFORMATION

Definition. Adverse selection. Signals. Moral hazard. Contracts.



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CONTENTS: PRACTICE

- 1- Game theory: Nash equilibrium, war of prices, comparison of oligopolic firms and their pay-off matrixes. Analysis of real cases got from press readings
- 2.- Analysis of farm production processes: efficiency in the use of factors. Extracted from academic articles.
- 3.- Externalities: detailed illustration with several real cases (firms, industries and agricultural activities). Analysis of real cases got from academic articles
- 4- Computer exercises illustrating several theoretical contents: consumer choice and prices discrimination.



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RECOMMENDED BIBLIOGRAPHY

Core reading: R. Pindyck and D. Rubinfeld, *Microeconomics. International Edition -6th Edition*. Prentice Hall, 2004

Supplementary/Alternative reading:

M. Katz and H. Rosen, *Microeconomics. International Student Edition -2nd Edition*. Irwin, 1994.

A. Koutsoyiannis, *Modern Microeconomics. 2nd Edition*. McMillan Press, 1982.

P. Samuelson and W. Nordhaus, *Economics. International Edition -17th Edition*. McGraw-Hill Irwin, 2001.