

## 1. BASIC INFORMATION

<b>Subject</b>	<b>INTRODUCTION TO ECONOMICS</b>
<b>Title</b>	MARKETING DEGREE
<b>School/Faculty</b>	SOCIAL SCIENCES
<b>Year</b>	FIRST
<b>ECTS</b>	6
<b>Character</b>	COMPULSORY
<b>Languages</b>	English
<b>Modality</b>	In person
<b>Semester</b>	2
<b>Academic course</b>	2024 - 2025
<b>Coordinating teacher</b>	Enrique Fatas

## 2. PRESENTATION

Economics is the study of how people interact with each other and with their natural surroundings to provide for their livelihoods. This course addresses the production and distribution of goods. We will use economic models to study economic stagnation, economic growth, work hours, social dilemmas, economic power, labor markets, monopolistic markets, competitive markets, and inequality.

At the end of the semester, you will be able to understand and explain the fundamentals of Economics, and you will be able to show command applying basic Economics concepts and tools to the analysis of economic decisions, markets, and economies.

At the end of the semester, you will be able:

- To make sense of economic data
- To understand basic models of the economy
- To communicate effectively about economic topics
- To use economic thinking to inform your role in the world
- To use Economics to analyze and interpret challenging issues

## 3. COMPETENCES AND LEARNING OUTCOMES

### Basic competencies:

CB1: You will show command of basic knowledge in Economics at a level that involve some knowledge from the cutting edge of the discipline.

- CB3: You will have the ability to gather and interpret relevant economic data to make sound judgments that include reflection on relevant social issues.

- CB4: You will be able to effectively convey information, ideas, challenges, and solutions to both a specialized and non-specialized audience.

#### Transversal competences

- CT5: You will be able to apply Economics knowledge to practical settings, to use the knowledge acquired in situations that are as similar as possible to the reality of modern economies.
- CT6: You will be able to transmit and interpret data, ideas, opinions, and attitudes to achieve a deep understanding of complex settings, both orally and in written.
- CT12: You will be able to analyze an idea, phenomenon, or situation from different perspectives and defend your own personal approach, built rigorously and objectively, rather than from intuition.
- CT17: You will be able to collaborate actively with other students, and people from other areas and organizations to achieve common objectives.

#### Specific competencies

- CE2. You will be able to collect and interpret information to run a solid economic analysis of markets and economies.
- CE12. You will be able to analyze, integrate and evaluate information from an economic environment, as needed to make sound economic decisions.

#### Learning outcomes:

LO1: Understand the basic principles of supply and demand

LO2: Understand the basic principles of cost functions and supply function modelling

The following table shows the relationship between the competencies developed during the course and the learning outcomes pursued:

Competencies	Learning outcomes
CB1 CB3 CB4 CT5 CE12	LO1: Understand the basic principles of supply and demand
CT6 CT12 CT17 CE2	LO2: Understand the basic principles of cost functions and supply function modelling

## 4. CONTENTS

By the end of the semester you will show command of concepts like sources and instruments of economic analysis, market demand and market supply, elasticity, price theory, market failures, macroeconomic variables, macroeconomic equilibrium, and trade and foreign sector. A detailed presentation of how these concepts are covered in ten units follows.

### Unit 1: Scarcity and choice

How individuals do the best they can, and how they resolve the trade-off between earnings and free time. How a combination of self-interest, a regard for the wellbeing of others, and appropriate institutions may yield desirable social outcomes.

#### Learning goals

By the end of Unit 1, you will be able to understand and use concepts like **Economic analysis (sources and instruments)**, Constraints, Scarcity, Opportunity cost, Marginal product, Indifference curve, Feasible set, Budget constraint, Income effect, Substitution effect, Game, Best response, Dominant strategy, Social dilemma, Altruism, Reciprocity, Inequality aversion, Nash equilibrium, Public good, Prisoners' dilemma, Optimal Choice, Utility Maximization.

## References

CORE: Unit 3, *Scarcity, Work, and Choice* and Unit 4, *Social Interactions*

### Unit 2: Distribution

How institutions influence the balance of power in economic interactions and affect the fairness and efficiency of the allocations that result. Economic disparities are mostly a matter of where you were born, who your parents are, and (in some countries) your gender.

#### Learning goals

By the end of Unit 2, you will be able to understand and use concepts like **Market Demand and Market Supply**, Institutions, Power, Bargaining power, Allocation, Pareto criterion, Pareto efficiency, Concepts of fairness, Joint surplus, Gini coefficient, Disposable income, Progressive and regressive policies, Intergenerational elasticity, Inequality aversion, Minimum wage.

## References

CORE, Unit 5, *Poverty and Power: Mutual Gains and Conflict* and Unit 19, *Economic Inequality*

### Unit 3: Firms

How the interactions among the firm's owners, managers, and employees influence wages, work, and profits, and how this affects the whole economy.

#### Learning goals

By the end of Unit 3, you will be able to understand and use concepts like **Elasticity**, Production and Cost Curves, Cost Functions, Division of labor, Separation of ownership and control, Firm-specific assets, Incomplete contract, Employment rent, Reservation wage, Worker's best response function, Involuntary unemployment, Asymmetric information, Verifiable information, Principal-agent relationship, Profit .

## References

CORE, Unit 6, *The Firm: Owners, Managers, and Employees*

### Unit 4: Customers

How a profit maximizing firm producing a differentiated product interacts with its customers.

#### Learning goals

By the end of Unit 4, you will be able to understand and use concepts like **Elasticity**, Indifference Curves, Consumer Preferences, Differentiated product, Economies of scale, Cost function, Willingness to pay, Demand curve, Price-setting, Consumer surplus, Producer surplus, Deadweight loss, Market failure, Elasticity of demand, Profit margin.

## References

CORE, Unit 7, *The Firm and Its Customers*

### Unit 5: Supply and Demand

How markets operate when all buyers and sellers are price-takers.

#### Learning goals

By the end of Unit 5, you will be able to understand and use concepts like **Market Demand and Market Supply**, **Price Theory**, Price-taking firms, Competitive equilibrium, Exogenous shocks, Taxation, Model of perfect competition, Applications of Demand Theory.

## References

CORE, Unit 8, *Supply and Demand: Price-Taking and Competitive Markets*

### Unit 6: The Labor Market

How the economy-wide market for labor determines wages, employment, and the distribution of income.

#### Learning goals

By the end of Unit 6, you will be able to understand and use concepts like **Price Theory**, Wage-setting curve, price-setting curve, Labor force, inactive population, participation rate, Employment rate, unemployment rate,

Involuntary unemployment, Equilibrium unemployment, Nominal wage, real wage, Labour productivity, Monetary policy, fiscal policy, Trade union.

#### References

CORE, Unit 9, *The Labor Market: Wages, Profits, and Unemployment*

#### Unit 7: Market Efficiency and Public Policy

When markets determined prices induce people to account for the full effects of their actions on others, outcomes are efficient. When prices do not capture significant effects, markets fail.

#### Learning goals

By the end of Unit 7, **Market failure**, Externality, Pigouvian tax (or subsidy), Coasean bargaining, Asymmetric information, Moral hazard, Adverse selection, Public good, Repugnant markets, Merit good.

#### References

CORE, Unit 12, *Markets, Efficiency, and Public Policy*

#### Unit 8: Economic Cycles

How economies fluctuate between booms and recessions as they are constantly hit by good and bad shocks.

#### Learning goals

By the end of Unit 8, you will know how to use concepts like **Macroeconomic Variables**, **Macroeconomic Equilibrium**, Recession, Okun's law, Aggregate demand and its components: Y, C, I, G, X, M, Government transfer payments, Capacity utilization rate, Investment as a coordination game, Inflation, CPI, and GDP deflator.

#### References

CORE, Unit 13, *Economic Fluctuations and Unemployment*

#### Unit 9: Fiscal Policy

How governments can moderate costly fluctuations in income and unemployment.

#### Learning goals

By the end of Unit 9 you will learn to use concepts like **Macroeconomic Variables**, **Trade and Foreign Sector**, Multiplier model, Marginal propensity to consume, Consumption function, Investment function, Automatic stabilizer, Fiscal stimulus, Government budget balance, deficit, surplus, Primary deficit, Government debt, Sovereign debt crisis, Supply and demand sides of aggregate economy, Business cycle fluctuations.

#### References

CORE, Unit 14, *Unemployment and Fiscal Policy*

#### Unit 10: Monetary Policy

Why prices change (and why sometimes they don't), and how markets work (sometimes for the better, sometimes for the worse).

#### Learning goals

By the end of Unit 10, you will learn to use concepts like **Macroeconomic Variables**, Disinflation, expected inflation, Real interest rate, Phillips curve, Policymaker's preferences, Monetary policy transmission, Exchange rate, Quantitative easing, Supply shocks, demand shocks, Central bank independence.

#### References

CORE, Unit 15, *Inflation, Unemployment, and Monetary Policy*

## 5. TEACHING AND LEARNING METHODOLOGIES

The course has an essentially applied nature and will be based on the application of concepts studied in the assigned readings to real situations, simulations, and practical exercises, supported by the discussion of cases,

studies on strategic decisions and student questions. As a rule, students must carry out the following activities during the course:

*Before each session*

To attend each session, students must have read any recommended text, as well as other materials recommended for each session. Each student must read and/or study any materials recommended for each unit, being ready to apply the lessons learned. Preparation prior to the in-person session is central, and includes, but is not limited to, careful reading of the assigned materials. Students will be always accompanied by the instructor in carrying out these tasks.

*During each session*

Active participation of students in discussions, simulations, and other activities is expected. You are expected to use any knowledge previously acquired through readings and in previous lectures and activities. Participation in class does not only allow for a better learning experience, but it improves individual and group performance. A dynamic and fruitful discussion usually includes the definition of explicit or implicit strategic problems faced by companies, markets and economies; the analysis of situations to identify specific solutions to identified challenges, applying concepts or tools previously discussed in class.

*After the session*

Students should reflect on the key lessons learned in each unit as a starting point for the next one. The student is expected to integrate concepts and tools from previous sessions.

## 6. LEARNING ACTIVITIES

Task	Time (hours)
Lectures (synchronous)	8
Lectures (synchronous)	12
Individual work	25
Presentations	15
Case studies and case solving	40
Visits	5
Participatory group tasks	20
Exams and evaluations	5
Tutorials	20
<b>Total</b>	<b>150</b>

## 7. ASSESSMENT

Listed below are the assessment methods used and the weight each one carries towards the final coursegrade:

Campus-based (in person) mode

Assessment system	Weight
Comprehension tests (continuous evaluation)	30%
Group work and presentations	30%
Participation in classroom debates and forums	10%
Final assessment/exam	30%

### Comprehension tests (30%)

Quizzes will be taken at the end of some classes, at least one quiz per unit. I will circulate specific instructions on the format and conditions of quizzes. The lowest grade obtained will be dropped and discarded.

### Group work and presentations (30%)

In groups of 3 or 4 people, you will discuss short cases of real companies, markets, and/or economies. The number of cases will be around one per unit. Groups will be randomly formed by the instructor. You will carry out the analysis in class, aiming to build a critical discussion. The lowest mark obtained in a group case will be dropped and discarded.

### Final exam (30%)

The final exam will combine questions about basic concepts explained in class and a short analysis of a mini-case.

### Participation in classroom debates and forums (10%)

Participation in class allows for a better learning experience. I will evaluate your participation according to the level of proactive participation.

You'll find a detailed description of the assessment plan on Canvas, together with the delivery deadlines and assessment procedures.

## 7.1 First exam period (regular assessment)

All grades obtained throughout the semester will be averaged to calculate the final grade of the course. In order to pass the course in the ordinary exam, you must obtain a grade higher or equal to 5.0 out of 10.0 in the final grade (weighted average) of the course.

## 7.2 Second exam period (extraordinary assessment)

Unsubmitted activities and improved coursework must be handed in, upon agreement with the lecturer, before the extraordinary call deadline. The criteria for passing the course in the extraordinary call are the same as in the ordinary/regular call.

# 8. SCHEDULE

This table shows the delivery deadline for each assessable activity in the course:

Assessable activities	Deadline
Participation in classroom debates and forums	Weeks 2, 4, 6, 8, y 10
Comprehension tests (continuous assessment)	Weeks 1, 3, 5, 7, y 9

Group work and presentations	Weeks 3, 6, 8, y 10
Final assessment/exam	June

This schedule may be subject to changes for logistical reasons relating to the activities. The student will be notified of any change as and when appropriate.

## 9. BIBLIOGRAPHY

The required book for this course is *The Economy*, written by the CORE team in English and Spanish.

The CORE Team (2017): *The Economy: Economics for a Changing World*, Oxford, UK (1152 pages, Oxford University Press).

The book is available in three formats:

1. Purchase a printed copy using the reference cited above.
2. Read the ebook for free in a web browser at [www.core-econ.org](http://www.core-econ.org)
3. Download the app *The Economy* by CORE ECON on your phone or tablet.

Regardless of how you read the book, I recommend studying the interactive figures and the unit questions in using a web browser or tablet.

## 10. EDUCATIONAL GUIDANCE, DIVERSITY AND INCLUSION UNIT

From the Educational Guidance, Diversity and Inclusion Unit we offer support to our students throughout their university life to help them reach their academic achievements. Other main actions are the students' inclusions with specific educational needs, universal accessibility on the different campuses of the university and equal opportunities.

From this unit we offer to our students:

1. Accompaniment and follow-up by means of counselling and personalized plans for students who need to improve their academic performance.
2. In terms of attention to diversity, non-significant curricular adjustments are made in terms of methodology and assessment for those students with specific educational needs, pursuing an equal opportunity for all students.
3. We offer students different extracurricular resources to develop different competences that will encourage their personal and professional development.
4. Vocational guidance through the provision of tools and counselling to students with vocational doubts or who believe they have made a mistake in their choice of degree.

Students in need of educational support can write to us at:

[orientacioneducativa.uev@universidadeuropea.es](mailto:orientacioneducativa.uev@universidadeuropea.es)

## 11. SATISFACTION SURVEYS

Your opinion matters!

The European University encourages you to participate in satisfaction surveys to detect strengths and areas for improvement regarding the teaching staff, the degree and the teaching-learning process.

The surveys will be available in the survey space of your virtual campus or through your email.

Your assessment is necessary to improve the quality of the degree. Thank you very much for your participation.