

Budapest University of Technology and Economics
Faculty of Economic and Social Sciences

Course Syllabus and Requirements

Economics I

2.	Course code	Semester	Hours per week (<u>Theory/Practice</u>)	ECTS credits	Language of Instruction	Level (BSc/BA/MSc/MA)
	BMEGT301004	autumn/ <u>spring</u>	2/0	2	English	Ba/Bsc

3. Course supervisor (name, title, department):

Dr. Zsombor Ligeti, associate professor, deputy chair of department, Department of Economics

4. Lecturer:

Name	Position	Department/Institute/ availability (e-mail address)
Krisztina Sóreg	Lecturer, PhD Candidate	Department of Economics, Building Q, Wing A, 2nd floor e-mail: krisztina.soreg@gmail.com

5. Preliminary knowledge required:

Basic algebra and calculus.

6. Academic prerequisites:

None

7. Objectives and description of the course:

This course is primarily designed as an introduction to basic microeconomic theory. The aim of the course is to get students acquainted with the most important microeconomic terms, phenomena and conclusions. After having finished the course, students should understand the key concepts of microeconomics and industrial organization (e.g. opportunity cost, supply and demand, market equilibrium, competition, market structures, etc.), master a basic set of tools of economic analysis and demonstrate the ability to apply them to practical problems.

8. Teaching methods:

The course material is accessible to students without a strong mathematical background. We do not use integral calculus and the most important ideas are also demonstrated in graphs.

The key skills required for the course are the following: problem-solving initiative, independent thinking, analytical approach and some information management as well. Students will be encouraged to participate actively in class discussions independently as well as in small groups of 2-3 people.

9. Requirements and assessment:

According to our academic regulation, students may miss a maximum of 25% of the classes. There will be 2 written tests during the semester.

Hungarian (BME) and ECTS grading scale

<i>Percentage achieved</i>	<i>Hungarian grade</i>	<i>ECTS equivalent</i>	<i>Explanation for Hungarian grades</i>	<i>Hungarian grade/remark</i>	<i>ECTS equivalent</i>	<i>Explanation for Hungarian grades/remark</i>
85-100	5	A	Excellent	Nem vizsgázott	I	Incomplete (no credit)
70-84	4	B	Good	Aláírva	S	Signed (no credit)
55-69	3	C	Satisfactory	Megtagadva	R	Denied (no credit)
40-54	2	D	Pass	Megtagadva	R	Denied (no credit)
0-39	1	F	Fail	Nem jelent meg	DNA	Did not attend (no credit)

10. Exams, make-up duties and make-up exams:

In order to be allowed to get final grading, students need to complete at least 50 percent of both written tests. The repetitive tests might be completed during the last week of the study period. There will not be final make-up exams in this course.

11. Office hours:

To be announced at the beginning of the semester.

12. Course material, compulsory and recommended readings:

English-language books are available on the subjects discussed during the course.

Textbook: N. Gregory Mankiw (2015): Principles of Microeconomics

David A. Besanko, R. R. Braeutigam: Microeconomics (4th Edition)

Recommended reading: Hal. R. Varian (2014): Intermediate Microeconomics - A modern approach

Power point lecture notes will be uploaded on the Department's website.

13. Workload and detailed class schedule:

	<u>Topics to be discussed, readings required for the class, other assignments</u>
Week 1 February 7, 2019	<ul style="list-style-type: none"> • Introduction. Basic concepts of Microeconomics • The circular flow diagram • The production possibilities frontier • Constrained Optimization <p><i>Readings:</i> Mankiw pp. 1-48</p>
Week 2 February 14, 2019	<ul style="list-style-type: none"> • Market Theory: The Basics of Supply And Demand • The Demand Curve • The Supply Curve • Market Equilibrium and Disequilibria <p><i>Readings:</i> Mankiw pp. 65-88</p>
Week 3 February 21, 2019	<ul style="list-style-type: none"> • Elasticity. Markets and Welfare • Different Types of Elasticities • Elasticity Exercises • Basic Terms of Welfare Economics <ul style="list-style-type: none"> • <i>Readings:</i> Mankiw pp. 89-108; 137-157

<p>Week 4 February 28, 2019</p>	<ul style="list-style-type: none"> • Consumer Theory • Consumer Preferences • Budget Constraints • Consumer Choices • Special Case: Cobb-Douglas Utility Function <p><i>Readings:</i> Besanko-Braeutigam pp. 74-95 & 105-114</p>
<p>Week 5 March 7, 2019</p>	<ul style="list-style-type: none"> • Production and Cost Theory • Defining Production & Costs • The Production Function • Production and Cost in the Long Run • Isoquant & Isocost curves • Cost minimization <p><i>Readings:</i> Besanko-Braeutigam pp. 210-221 & Mankiw pp. 267-282</p>
<p>Week 6 March 14, 2019</p>	<ul style="list-style-type: none"> • 1st Test
<p>Week 7 March 21, 2019</p>	<ul style="list-style-type: none"> • <i>Spring Break</i>
<p>Week 8 March 28, 2019</p>	<ul style="list-style-type: none"> • <i>Sketch Design Week</i>
<p>Week 9 April 4, 2019</p>	<ul style="list-style-type: none"> • Firm Behavior and the Organization of Industry • Competitive Markets • Competitive Markets in the Short and Long Run • Monopolistic Competition <p><i>Readings:</i> Mankiw pp. 289-306 & Mankiw pp. 345-361</p>
<p>Week 10 April 11, 2019</p>	<ul style="list-style-type: none"> • Firm Behavior and the Organization of Industry • Monopoly <p><i>Readings:</i> Mankiw pp. 311-338</p>
<p>Week 11 April 18, 2019</p>	<ul style="list-style-type: none"> • Firm Behavior and the Organization of Industry • Oligopoly <p><i>Readings:</i> Mankiw pp. 365-378</p>

<p>Week 12</p> <p>April 25, 2019</p>	<ul style="list-style-type: none"> • The Economics of Labour Markets • Basic Assumptions and Equilibrium • The Demand and Supply of Labour Market • Capital Market • The Demand and Supply of Capital Market <p><i>Readings:</i> Mankiw pp. 391-408</p>
<p>Week 13</p> <p>May 2, 2019</p>	<ul style="list-style-type: none"> • Externalities • Market Failures • The Coase Theorem • The Economics of the Public Sector • Public Goods and Common Resources • Taxes <p><i>Readings:</i> Mankiw pp. 203-219 & 226-237 & 249-258</p>
<p>Week 14</p> <p>May 9, 2019</p>	<ul style="list-style-type: none"> • 2nd Test
<p>Week 15</p> <p>May 9, 2019</p>	<ul style="list-style-type: none"> • <i>Draughting Week</i>
<p>Week 16</p> <p>May 9, 2019</p>	<ul style="list-style-type: none"> • Re-Submission – Repetitive Tests

Grading

Two written tests (50%-50%) completing min. 50% of each test.