Course Syllabus
and requirements

Economics I.

2.	Course code	Semester	Hours per week (Theory/Practice)	ECTS credits	Language of Instruction	Level (BSc/BA/MSc/MA)
	BMEGT30A001	Fall	4/0	4	English	BSc/BA

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

Zsombor Ligeti PhD, associate professor, vice-head of department, Dept. of Economics

4. Lecturer:

Name:	Position:	Department/Institute/availability (Room, e-mail address):
Iván Major	professor	Dept. of Economics, Institute of Economic Sciences, Bld-Q A 2nd floor / Room 219, major@kgt.bme.hu

Lectures: from Week 1 to Week 7 on Mondays between 8 a.m. and 10 a.m. and on Tuesdays between 12 a.m. and 2 p.m. in K87.

5. Preliminary knowledge required:

None (Economics II. / Macroeconomics is a related subject)

6. Academic prerequisites:

None

7. Objectives and description of the course:

In this introductory course you get acquainted with the basic concepts, definitions and tools of microeconomic analysis. You can learn how to analyze the customers' and the companies' market behavior assuming rational decision making of all economic actors. We mostly remain within the framework of "perfectly competitive markets" during the course. You will learn about market imperfections in detail in subsequent Econ courses. The topics we shall discuss in this course are as follows:

➢ Scarcity and economic choice;
➢ Economic benefits and economic costs;
➢ Cost-benefit analysis;
➢ Why do people engage in transactions: the concept of comparative advantage;
➢ The different forms of exchange: from autonomous markets, to regulated markets and to centrally administered allocations;
➢ How are demand and supply formed, and how is equilibrium attained in different markets;
➢ How would people's needs and wants translate into their demand;
➢ What is price elasticity and income elasticity of demand;
➢ How can we derive market demand from individuals' demand;
➢ How do firms determine their supply in a perfectly competitive market;
➢ What do economists mean by efficiency in a market environment;
➢ Market imperfection: monopoly, oligopoly and monopolistic competition;
➢ What does the metaphor of the "invisible hand" stand for;
➢ The role of information in market transactions;
➢ How can the "visible hand" of the government affect economic efficiency;
➢ The possible differences between market equilibrium, social optimum and social justice.

Textbook and online material: Robert H. Frank and Ben S. Bernanke, *Principles of Economics*, Sixth edition, McGraw-Hill, 2016. (FB), Chapters 1–16.

My lecture notes and all additional course materials will be uploaded on https://www.kgt.bme.hu

8. Teaching methods:

Both the lecture notes and the recommended textbook are accessible to students without a strong technical background. Students will be assigned to presentation teams and the teams will have one presentation at the beginning of each class. Presentation topics will be assigned by the course instructor. The teams must prepare presentation slides and talk about those slides in front of class. Presentations should not be longer than 15 minutes.

9. Requirements and assessment:

According to our academic regulations, students may miss a maximum of 25% of the classes. The students are graded according to the results of a midterm and a final exam, which both include multiple choice and true or false questions. Final grades are determined by the average percentage score of the two midterm exams, provided that a student scores at least 40% (16 out of 40) in both exams. (Otherwise an F grade is given to student.)

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

Percentage achieved	Hungarian grade	ECTS equivalent	Explanation for the Hungarian grade
85-100	**5**	**A**	**Excellent**
70-84	**4**	**B**	**Good**
55-69	**3**	**C**	**Satisfactory**
40-54	**2**	**D**	**Pass**
0-39	**1**	**F**	**Fail**
0	**Nem teljesítve**	*(None)*	**Unaccomplished (no credit)**

Grades will be determined according to the table to the left, based on the results of the midterm exams:

Midterm exam (3th Week; weight: 30%)

Final exam (7th Week; weight: 50%)

Presentation and class participation: 20%.

Students can retake either (or both) exam(s) at the end of the semester (13th Week).

MŰEGYETEM 1782

12. Course material, compulsory and recommended readings:

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

Course textbook: Robert H. Frank and Ben S. Bernanke, *Principles of Economics*, Sixth edition, McGraw-Hill, 2016. (FB), Chapters 1–16.

13. Workload and detailed class schedule:

	Topics to be discussed, readings required for the class, and assignments
Week 1 Monday, 09/03	Rational economic choices; economic benefit and cost: the cost-benefit analysis (Chapter 1).
Week 1 Tuesday, 09/04	Comparative advantage and its role in international trade (Chapters 2 and 16).
Week 2 Monday, 09/10	Supply and demand in a market (Chapter 3).
Week 2 Tuesday, 09/11	Elasticity and its impact on demand and supply. (Chapter 4).
Week 3 Monday, 09/17	The consumers' choice (Chapter 5); and the producers' choice (Chapter 6).
Week 3 Tuesday, 09/18	In-class closed book midterm exam
Week 4 Monday, 09/24	The "invisible hand" in action (Chapter 7).
Week 4 Tuesday, 09/25	Monopolies (Chapter 8)
Week 5 Monday, 10/01	"Strategic behavior" – oligopolies (Chapter 9).
Week 5 Tuesday, 10/02	Externalities and property rights (Chapter 10).
Week 6 Monday, 10/08	The environment, health and safety (Chapters 13 and 14).
Week 6 Tuesday, 10/09	The economics of information (Chapter 11).
Week 7 Monday, 10/15	Labor markets and income distribution (Chapter 12); Public goods and taxation (Chapter 15).
Week 7 Tuesday, 10/16	Microeconomics – Final exam
Week 8 Monday, 10/22	Public holiday
Week 8 Tuesday, 10/23	Public holiday
Week 15, 12/11 or 12/12	Free retake of the final exam