



## DETAILED SYLLABUS

### *Microeconomics – Price Theory 1*

#### 1. Information about the study program

1.1 University	Babeș-Bolyai University
1.2 Faculty	Faculty of Economics and Business Administration
1.3 Department	Statistics, Forecasting, Mathematics
1.4 Field of study	Accounting
1.5 Program level (bachelor or master)	Master
1.6 Study program / Qualification	Accounting and Organizations (AO)

#### 2. Information about the subject

2.1 Subject title	EME0635 Microeconomics – Price Theory 1						
2.2 Course activities professor	Assoc. Prof. Cristian Marius LITAN						
2.3 Seminar activities professor	Assoc. Prof. Cristian Marius LITAN						
2.4 Year of study	I	2.5 Semester	1	2.6 Type of assessment	SE	2.7 Subject regime	CO

#### 3. Total estimated time (teaching hours per semester)

3.1 Number of hours per week	3	out of which: 3.2 course	2	3.3 seminar/laboratory	1
3.4 Total number of hours in the curriculum	42	out of which: 3.5 course	28	3.6 seminar/laboratory	14
Time distribution					Hours
Study based on textbook, course support, references and notes					30
Additional documentation in the library, through specialized databases and field activities					30
Preparing seminars/laboratories, essays, portfolios and reports					30
Tutoring					14
Assessment (examinations)					4
Others activities					
3.7 Total hours for individual study	108				
3.8 Total hours per semester	150				
3.9 Number of credits	6				

#### 4. Preconditions (if necessary)

4.1 Curriculum	It is not the case.
4.2 Skills	It is not the case.

#### 5. Conditions (if necessary)

5.1. For course development	The courses should be held in a room with simultaneous access to a computer-projector and a board.
5.2. For seminar / laboratory development	The seminars should be held in a room with simultaneous access to a computer-projector and a board.

## 6. Acquired specific competences

Professional competences	Acquiring the basic tools of microeconomic analysis and price theory plays an obvious role in the development of the following professional competences by the students (competences associated to the master Accounting and Organizations - AO):
Transversal competences	The courses and seminars of microeconomic analysis and price theory play a role in the development of the following transversal skills (associated to the master Accounting and Organizations - AO):

## 7. Subject objectives (arising from the acquired specific competences)

7.1 Subject's general objective	Preparing the students to apply the instruments and the methods of microeconomic analysis and pricing theories to economic problems, to better understand real life economic and business situations, etc. (both within the academic world and the real business world)
7.2 Specific objectives	<ul style="list-style-type: none"> <li>- The students should understand:             <ul style="list-style-type: none"> <li>- the classical micro theories on consumer's preferences, choices and demand function;</li> <li>- the classical micro theories on production, factor demands and supply function;</li> <li>- partial equilibrium and general equilibrium;</li> </ul> </li> <li>- The students should understand the theories about price formation under perfect competition, under imperfect competition (duopoly, oligopoly), under monopoly;</li> <li>- The students should acquire the ability to construct basic microeconomic models in order to analyze certain economic problems, real life economic and business situations, etc.;</li> <li>- The students should be able to formulate theoretical economic hypotheses and analyze their validity based on their accumulated knowledge.</li> </ul>

## 8. Contents

8.1 Course	Teaching methods	Observations
Preference relations, choice rules, the relationship between preferences and choice rules. Consumer choice. Commodities, the consumption set, competitive budgets. Demand functions.	The professor gives a talk and encourages discussions on the themes.	2 courses
Classical demand theory: basic properties of preference relations, preference and utility, utility maximization problem. Expenditure minimization problem. Relationships between demand, indirect utility, and expenditure functions. Aggregate demand and aggregate wealth.	The professor gives a talk and encourages discussions on the themes.	2 courses
Models of the firm's technological capabilities. Profit function, conditional factor demands and cost functions. Profit maximization and cost minimization. Technological sets versus profit or cost functions. Cost functions and "–" runs.	The professor gives a talk and encourages discussions on the themes.	2 courses

Pure exchange and price equilibrium. Are the assumptions behind Walrasian equilibrium credible? Efficiency of general equilibrium (in pure exchange economies).	The professor gives a talk and encourages discussions on the themes.	2 courses
Time, uncertainty and general equilibrium.	The professor gives a talk and encourages discussions on the themes.	1 course
Perfectly competitive markets. Perfect competition and “-” runs. Partial equilibrium analysis. General equilibrium with firms.	The professor gives a talk and encourages discussions on the themes.	2 courses
Standard theory of monopoly. Maintaining monopoly. Monopoly power. Classic models of duopoly/oligopoly.	The professor gives a talk and encourages discussions on the themes.	2 courses
Review of the material. Discussing preparation for the exam.	The professor gives a talk and encourages discussions on the themes.	1 course
References:		
1. David M. Kreps – A course in microeconomic theory, Pearson Education Limited, Edinburgh Gate, Harlow, Essex CM20 2JE, England.		
2. Hal R. Varian – Microeconomic analysis (3rd edition), W. W. Norton & Company, Inc., 500 Fifth Avenue, New York, N.Y. 10110, www.wwnorton.com.		
3. Andreu Mas-Colell, Michael D. Whinston, Jerry R. Green – Microeconomic theory, Oxford University Press, 1995, New York, Oxford.		
8.2 Seminar/laboratory	Teaching methods	Observations
Preference relations, choice rules, the relationship between preferences and choice rules. Consumer choice. Commodities, the consumption set, competitive budgets. Demand functions.	Analysis of terms and concepts, discussions, case studies, solving exercises, providing real-life economic examples, discussion of the homework projects, etc.	1 seminar
Classical demand theory: basic properties of preference relations, preference and utility, utility maximization problem. Expenditure minimization problem. Relationships between demand, indirect utility, and expenditure functions. Aggregate demand and aggregate wealth.	Analysis of terms and concepts, discussions, case studies, solving exercises, providing real-life economic examples, discussion of the homework projects, etc.	1 seminar

<p>Models of the firm's technological capabilities. Profit function, conditional factor demands and cost functions. Profit maximization and cost minimization. Technological sets versus profit or cost functions. Cost functions and “-” runs.</p> <p>Homework 1: Presenting the requirements of the first homework; the project is due to the next meeting.</p>	<p>Analysis of terms and concepts, discussions, case studies, solving exercises, providing real-life economic examples, discussion of the homework projects, etc.</p>	<p>1 seminar</p>
<p>Pure exchange and price equilibrium. Are the assumptions behind Walrasian equilibrium credible? Efficiency of general equilibrium (in pure exchange economies). Time, uncertainty and general equilibrium.</p>	<p>Analysis of terms and concepts, discussions, case studies, solving exercises, providing real-life economic examples, discussion of the homework projects, etc.</p>	<p>1 seminar</p>
<p>Perfectly competitive markets. Perfect competition and “-” runs. Partial equilibrium analysis. General equilibrium with firms.</p> <p>Homework 2: Presenting the requirements of the second homework; the project is due to the next meeting.</p>	<p>Analysis of terms and concepts, discussions, case studies, solving exercises, providing real-life economic examples, discussion of the homework projects, etc.</p>	<p>1 seminar</p>
<p>Standard theory of monopoly. Maintaining monopoly. Monopoly power. Classic models of duopoly/oligopoly.</p> <p>Homework 3: Presenting the requirements of the third homework; the project is due to the next meeting.</p>	<p>Analysis of terms and concepts, discussions, case studies, solving exercises, providing real-life economic examples, discussion of the homework projects, etc.</p>	<p>1 seminar</p>
<p>Review of the material. Discussing preparation for the exam.</p> <p>Discussing the results of the students in the first two homework projects.</p>	<p>Analysis of terms and concepts, discussions, case studies, solving exercises, providing real-life economic examples, discussion of the homework projects, etc.</p>	<p>1 seminar</p>

References:

1. David M. Kreps – A course in microeconomic theory, Pearson Education Limited, Edinburgh Gate, Harlow, Essex CM20 2JE, England.
2. Hal R. Varian – Microeconomic analysis (3rd edition), W. W. Norton & Company, Inc., 500 Fifth Avenue, New York, N.Y. 10110, www.wwnorton.com.
3. Andreu Mas-Colell, Michael D. Whinston, Jerry R. Green – Microeconomic theory, Oxford University Press, 1995, New York, Oxford.

**9. Corroboration / validation of the subject’s content in relation to the expectations coming from representatives of the epistemic community, of the professional associations and of the representative employers in the program’s field.**

In any economic field, in academics or real business world, it is required knowledge on economic logic. Acquiring the basic tools of microeconomic analysis and price theory is the first step to better understand the behavior of the agents within the economy. Therefore, Microeconomics – Price Theory 1 represents a course of vital importance for the professional development of a master student in any economic field.

**10. Assessment (examination)**

Type of activity	10.1 Assessment criteria	10.2 Assessment methods	10.3 Weight in the final grade
10.4 Course	The degree by which the students correctly acquired the concepts, notions and tools of microeconomics analysis and price theory. The ability of the students to use these concepts, notions and tools in financial and economic applications (i.e. practical economic problems, real life business and economics situations, etc.).	Written final exam.	50%
10.5 Seminar/laboratory	The degree by which the students correctly acquired the concepts, notions and tools of microeconomics analysis and price theory. The ability of the students to use these concepts, notions and tools in financial and economic applications (i.e. practical economic problems, real life business and economics situations, etc.). The capacity of the students to take economic/financial/business decisions based on the results of their analysis and suitably applying the microeconomic theories they’ve studied.	The assessment of the homework projects. The assessment tries to measure the degree by which the students acquired the theory and the ability to apply it in practical examples and real life situations. The realization of the homework projects is conditioning the final grade.	50%
10.6 Minimum performance standard			
<ul style="list-style-type: none"> <li>• It is necessary to obtain a minimum final grade of 5 (five) in order to pass this subject;</li> <li>• The grades being granted are between 1 (one) and 10 (ten);</li> <li>• Students must approach each element (question, problem) within the (written) exam sheet;</li> <li>• The exam is written and takes approximately 120 minutes;</li> </ul>			