



APPLIES TO ACADEMIC YEAR
2001/2002

EMS 9114 Intermediate Microeconomics

Program

The Associate Degree Program in Real Estate Studies

Responsible for the course

Dag Morten Dalen

Department

Economics

Term

Fall

ECTS Credits

6

Objective

The purpose of the course is to train students in the systematic analysis of consumer and firm behaviour in various market situations. The course also analyzes the efficiency of resource use given different market forms (perfect competition, monopoly, oligopoly). Real estate markets are used as examples whenever applicable.

Prerequisites

The Bachelor of Business Management Program of the NSM or equivalent.

EMS 9114 Microeconomics is the standard introductory course in microeconomics. Algebra and elementary calculus are required as a background for students taking this course - up to and including partial derivatives. The reasoning in the course is based on graphs and standard optimization problems, where the Lagrangian technique is mentioned. We are trying to develop both intuition and technical skills in the course. The exam contains more formal optimization problems than is customary in a standard course at "principles" level at a US university.

Compulsory literature

Pindyck, Robert S. & Daniel L. Rubinfeld. 2001. *Microeconomics*. 5th ed. Upper Saddle River, N. J.: Prentice Hall. (Selected parts)

Recommended literature

Grønn, E. 1998. *Mikroøkonomi: Formler og oppgaver*. 4.ed. Oslo: Cappelen akademisk forlag. Students should concentrate on the problems. Theory is covered in the compulsory literature.

Course outline

1. Introduction to Microeconomic Analysis
2. Demand, supply and market equilibrium
3. Consumer Behavior
 - The budget constraint and consumer preferences
 - Effects of changes in price and income levels
 - Demand functions and elasticities
4. Firm behavior
 - Production theory
 - The optimal use of input factors
 - The cost of production
 - The profit motive
5. Market theory
 - Free (perfect) competition
 - Monopoly
 - Oligopoly
 - Game theory
6. Market forms and resource allocation
7. Applications

Computer-based tools

Internet-based exercises will be used as a supplement to "regular" problem solving and cases.

Course structure

The course is based on 42 lecture hours.

Evaluation

A final five-hour written examination.

Evaluation code(s)

EMS 91141 - written exam, which counts 100% of the grade in EMS 9114, 2 credits.

Aids at the examination

A programmable calculator is permitted.

Makeup exam

Makeup exam each term.