



APPLIES TO ACADEMIC YEAR 2004/2005

EXC 2407 Microeconomics

Program

Responsible for the course

Dag Morten Dalen

Department

Economics

Term

According to study plan

ECTS Credits

6

Microeconomics deals with the behaviour of individual economic units, such as consumers, workers, investors, owners of land and business firms. Microeconomics explains how these units make economic decisions. Another important concern of microeconomics is how these economic units interact in markets and industries.

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).

Prerequisites

The Foundation Program in Business Administration of the NSM or equivalent.

SØK 9354 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 try 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, R.S. & D.L. Rubinfeld. 2001. *Microeconomics*. 5th ed. Upper Saddle River, N.J.: Prentice Hall. (Selected parts).

Recommended literature

None.

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 objective
5. Market theory
 - Perfect competition
 - Monopoly
 - Oligopoly
 - Game theory
6. Market forms and resource allocation.

Computer-based tools

None

Course structure

The course is based on 36 lecture hours.

Evaluation

A five-hour individual written examination concludes the course.

Evaluation code(s)

EXC 24071 - Written exam accounts for 100% of the final grade in the course EXC 2407 Microeconomics, 6 credits.

Aids at the examination

A programmable calculator is permitted.

Makeup exam

A re-sit is held in at the next scheduled exam in the course.