



APPLIES TO ACADEMIC YEAR 2006/2007

## SØK 9354 Intermediate Microeconomics

### Program

Bachelor in Auditing (2. year), Bachelor in Business Administration (2. year), Bachelor in Business Law (2. year), Bachelor in Finance (2. year), Bachelor in IT-management (2. year), Bachelor of Science in Marketing (2. year)

### Responsible for the course

Christian Riis

### Department

Economics

### Term

According to study plan

### ECTS Credits

6

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.

### 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

MET 2591 Mathematics or equivalent.

### Compulsory literature

#### Books:

Pindyck, R.S. & D.L. Rubinfeld. 2005. Microeconomics. 6th ed. Upper Saddle River, N.J.: Pearson Prentice Hall

### Recommended literature

#### Other:

Grønn, E. 2004. Mikroøkonomi: formler og oppgaver: løsningsforslag. 6. utg. Oslo: Cappelen akademisk

### 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 and 6 hours of interactive exercises.

**Evaluation**

A five-hour individual written examination concludes the course.

**Evaluation code(s)**

SØK 93541 - written exam, which accounts for 100% of the grade in SØK 9354 Intermediate Microeconomics, 6 credits.

**Aids at the examination**

A advanced calculator is permitted.

**Makeup exam**

A make-up exam each term.