



APPLIES TO ACADEMIC YEAR 2011/2012

SØK 3520 Microeconomics

Programme

Bachelor in Auditing (2. year), Bachelor in Banking and Finance (SF), Bachelor in Business Administration (2. year), Bachelor in Business Law (2. year), Bachelor in Entrepreneurship (2. year), Bachelor in Finance (2. year), Bachelor in IT-management (2. year), Bachelor in Real Estate (2. year)

Responsible for the course

Christian Riis

Department

Department of Economics

Term

According to study plan

ECTS Credits

7,5

Language of instruction

Norwegian

Introduction

Through the study of microeconomics students will learn the fundamentals of how markets and economic institutions function.

The course is a thorough study on price formation and the production and income distribution in markets. The analysis covers both markets for consumer goods and markets for production resources. There is a special emphasis on the analysis of price trends and industry development in short and long term.

Furthermore, criteria for economic efficiency and high value added are discussed. In particular the course discusses if conditions for individual economic decisions are leading to effective utilisation of community resources. One sees here both the decisions in competitive markets and decisions in markets with limited competition.

The course also provides an introduction to game theory and strategic interaction in markets.

Learning outcome

Acquired knowledge

Students will understand the basic relationships between individual economic decisions and the social consequences in different market situations. Students will understand the basic principles of how changes in some markets have ripple effects to other markets. Students should also understand the distinction between descriptive and normative theory.

Acquired skills

Students will master the basic techniques of financial analysis: They should be able to master the basic economic model system, and understand the distinction between exogenous and endogenous variables. They will also be able to formulate economic optimise problems and solve them analytically.

Reflection

Students will be able to identify the welfare and distributional consequences of market processes. They will be encouraged to be aware of trade-offs between market efficiency and other considerations that are not captured by market analysis.

Prerequisites

MET 2910 Mathematics or equivalent

Compulsory reading

Books:

Riis, Christian og Espen R. Moen. 2011. Moderne mikroøkonomi. Gyldendal Akademisk

Recommended reading

Course outline

1. Introduction to Microeconomic Analysis
2. Market equilibrium: supply and demand
3. Consumer Behaviour
 - Budget constraint and consumer preferences
 - Effects of price and income changes
 - Demand functions and elasticities
1. Firm behaviour
 - Product function
 - The cost function
 - Profit maximisation
 - Substitution
 - The adjustment in the short and long term
1. Market Theory
 - Price formation under various cost structures
 - Price and income generation in the short and long term
1. Economic efficiency
2. Limited competition
 - Monopolies and market power
 - Oligopoly
 - Game Theory

Computer-based tools

No specified computer-based tools are required.

Learning process and workload

The course consists of 36 lecture hours + 6 hours of plenary assignment review and feedback in plenary.

Coursework requirements

During the course there will be three multiple choice assignments on the learning platform It's Learning. In order to take the final exam, it is required that a minimum of 2 assignments are submitted and approved.

Feedback will be given in the planetary assignment reviews.

Recommended use of hours for students:

Activity	Use of hours
Lectures	36
Planetary assignment review and feedback	6
Working with compulsory assignments	18
Preliminary self-study in advance of lecture	36
Working with tasks in the aftermath of lectures	49
Self-study	50
Examination	5
Total use of hours recommended	200

E-learning

The e-learning platform It's learning is used by the e-learning centre to administrate the mandatory exercises, and make students able to communicate with each other and the Lecturer. Module sessions are carried out at the beginning of the semester and before exams. The e-learning students are also offered a study guide which is an educational guide to the syllabus.

Recommended use of hours for students:

Activity	Use of hours
Lectures	8
Planetary assignment review and feedback	6
Working with compulsory assignments, study guide and activities on It's Learning	54
Preliminary self-study in advance of lecture	10
Working with assignments	67
Self-study	50
Examination	5
Total use of hours recommended	200

Use of hours

36 hours - Lectures
 6 hour - Planetary assignment review and feedback
 3 hours - Evaluation of the mandatory assignments
 45 hours total

Coursework requirements

In order to sit for the final exam in this course, students must have received approval for two of three multiple choice tests.

Examination

A five hours individual written exam concludes the course.

Examination code(s)

SØK 35201 - Written exam, counts for 100% to obtain final grade in SØK 3520 Micoeconomics, 7,5 credits.

Examination support materials

BI-defined exam calculator is allowed. TEXAS INSTRUMENTS BA II Plus™

Examination support materials are specified under examination information in our web-based Student Handbook. Please note the use of calculator and dictionary.

<http://www.bi.edu/studenthandbook/examaids>

Re-sit examination

A re-sit examination is offered every term.

Students who do not get approved two of three multiple choice tests, have not met the course work requirement in the course, and can not take the exam. This means that they must take the course over again. Students who do not get passed the written exam or who want to improve their grade may re-sit at next scheduled examination.

Additional information