



APPLIES TO ACADEMIC YEAR 2016/2017

SØK 3520 Microeconomics

Programme

Bachelor of Auditing (2. year), Bachelor of Business Administration (2. year), Bachelor of Business Law (2. year), Bachelor of Entrepreneurship and Business (2. year), Bachelor of Finance (2. year), Bachelor of 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.

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. 2016. Moderne mikroøkonomi. 3. utg. 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
 - Industrial dynamics
 - The impact of excise taxes
- 1. Economic efficiency
- 2. Limited competition
 - Monopolies and market power
 - 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.

Recommended use of hours for students:

Activity	Use of hours
Lectures	36
Planetary assignment review and feedback	6
Preliminary self-study in advance of lecture	42
Working with tasks in the aftermath of lectures	54
Self-study	56
Examination	5
Total use of hours recommended	200

E-learning

In course delivery as online courses or evening classes, will lecturer, in collaboration with the Academic Services Network and evening studies, organize an appropriate combination of digital and class room teaching. Online students are also offered a study guide, which will help progression and overview. Total recommended amount of time for completion of the course also applies here.

Use of hours

36 hours - Lectures

9 hour - Planetary assignment review av feedback

45 hours total

Examination

A five hours individual written exam concludes the course.

Examination code(s)

SØK 35202 - Written exam, counts for 100% to obtain final grade in SØK 3520 Micoeconomics, 7,5 credits.

Examination support materials

BI approved exam calculator. Examination support materials at written examinations are explained under examination information in the student portal @bi. Please note use of calculator and dictionary in the section on support materials (https://at.bi.no/EN/Pages/Exa_Hjelpemidler-til-eksamen.aspx).

Re-sit examination

A re-sit examination is offered every term.

Re-sit students must take the exam in SØK 35202 as of 2013-2014. There will be no re-sit examination in the previous exam code SØK 35201.

Additional information