

Introduction to Economics

Code: 101746
ECTS Credits: 6

Degree	Type	Year	Semester
2501233 Aeronautical Management	FB	1	2

Contact

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Use of Languages

Principal working language: catalan (cat)
Some groups entirely in English: No
Some groups entirely in Catalan: Yes
Some groups entirely in Spanish: No

Teachers

Sebastian Cano Berlanga

Prerequisites

In order to follow this subject, it is recommended that students have a minimum mathematical base (functions and their representation, derivatives, and equation systems) in order to be able to solve the proposed problems comfortably.

Objectives and Contextualisation

In this subject we introduce the concepts and the basic methodology that we use in the modern economic analysis. These tools will help us to start studying a wide range of phenomena that are interesting from the point of view of the economy. The course material is structured in a first part of microeconomics, and in a second part of macroeconomics. In the microeconomics part, there are some key concepts such as "opportunity cost", "efficiency", "market", and "production function", and various aspects related to decision-making by the firms and their behavior in different types of markets. The second part of macroeconomics presents some basic concepts related to the National Accounts and to several economic aggregates, and some economic policy instruments, such as taxes, fiscal policy and monetary policy, are also presented.

Specifically, the objectives that are intended to be achieved are:

1. Introducing the basic concepts of microeconomics.
2. Understand the concepts of market, demand and supply, types of goods, and elasticity.
3. Taxes and their effect. Deadweight efficiency loss.
4. Different types of market according to the degree of competition. Introduction to strategic behavior.
5. The main aggregate economic magnitudes.

6. The decisions of saving and investment.
7. The aggregate supply and demand.
8. Brief introduction to monetary policy and fiscal policy.

Competences

- Communication.
- Personal work habits.
- Thinking skills.
- Use knowledge of the fundamental principles of mathematics, economics, information technologies and psychology of organisations and work to understand, develop and evaluate the management processes of the different systems in the aeronautical sector.

Learning Outcomes

1. Analyse the economic environment and its macroeconomic variables.
2. Communicate knowledge and findings efficiently, both orally and in writing, both in professional situations and with a non-expert audience.
3. Develop systemic thinking.
4. Identify and apply market modelling and analysis and the behaviour of agents.
5. Work independently.

Content

Topic 1. The economy: basic issues:

Object of the economic analysis; economic models; the set of production possibilities and the opportunity cost; the gains from international trade.

Topic 2. Markets: supply and demand:

The market and competition; introduction to the demand and supply curves; the market equilibrium; consumer surplus and producer surplus.

Topic 3. Demand and the concept of elasticity:

Market demand and individual demand; shifts of the demand curve; the elasticity of demand: price elasticity; income-elasticity and crossed-price-elasticity.

Topic 4. Firm's supply and costs:

Technology and production function; cost function of the firm; total, average and marginal costs; variable costs and fixed costs; returns to scale; short and long-run costs; shifts of the supply curve.

Topic 5. Perfectly competitive markets:

Perfect competition; maximization of profits and the competitive supply curve of the firm; supply curve of a competitive market.

Topic 6. Non-competitive markets and public intervention:

Imperfect competition: monopoly; regulation of monopoly; the oligopoly and the cartels; public policies on oligopolies; analysis of antitrust legislation; monopolistic competition.

Topic 7. Market failures:

externalities; public goods; public intervention

Topic 8. Efficiency and equity:

Distribution of income and equity; the tax system; gender inequalities, women's participation in the labour market and wage gap.

Topic 9: Economic aggregates:

The GDP; the components of GDP; the measure of the cost of living; economic cycles and the long-run economy. Unemployment.

Topic 10: Economic policies:

Fiscal Policy and Monetary Policy.

Methodology

In this subject we combine master classes with ICT support, along with more applied sessions dedicated to the resolution of problem sets and exercises. Likewise, texts will be proposed for reading and supporting the contents, as well as practical work using real data.

Activities

Title	Hours	ECTS	Learning Outcomes
Type: Directed			
Exercises and other work	15	0.6	1, 3, 4, 5
Master Classes	30	1.2	1, 3, 4
Type: Supervised			
Tutorials and monitoring of work progress	7.5	0.3	1, 2, 3, 4, 5
Type: Autonomous			
Study	75	3	1, 3, 4, 5
Text Reading	15	0.6	1, 4, 5

Assessment

The evaluation of the subject will be carried out continuously throughout the course with the following criteria:

1. Written tests to be carried out on specified dates: 70%
2. Exercises and resolution of practical cases: 30%

Throughout the course a minimum of two written tests will be done, one of which will be done on the date set by the Faculty during the exam period. The group teacher will determine on the first week of class how many tests will be done and on what dates. The number of exercises and practical cases to present will be between two and three. Also, at the beginning of the course, the teacher will determine the type of exercises and the date of delivery. Students must always respect the date of delivery of the exercises, otherwise they will not be evaluated.

To pass the subject through continuous assessment a weighted average grade equal to or greater than 5 is required. If this weighted grade is equal to or greater than 3.5 and lower than 5, the student will be entitled to the recovery exam.

Access to the recovery exam will be granted to those students who have submitted themselves to activities the weight of which will be equivalent to 66.6% (two thirds) or more of the final grade and which have obtained a weighted average grade of 3.5 or more.

The student will be attend exclusively the recovery of activities or tests not presented or failed. In no case a recovery will be granted to 100% of the grade.

At the time of submitting the final grade prior to the minutes of the subject, the teacher will communicate in writing the recovery procedure. The teacher can propose a recovery activity for each failed activity or not presented or can group several activities into one.

Only students who have obtained a weighted grade of continuous assessment tests equal to or greater than 3.5 and less than 5 (out of 10) may participate in the re-evaluation exam. The re-evaluation exam will be done on the date set by the Faculty. In case of passing the re-evaluation exam, the student will be qualified with 5 as the final grade of the subject, and otherwise will keep the weighted grade as a result of the continuous evaluation (superior or equal to 3.5 and lower than 5).

Consideration of "not evaluable"

A "non-evaluable" will be assigned when the evaluation evidence provided by the student equals a maximum of one quarter of the total grade of the subject

All students have the obligation to take the exams and other evaluable tasks on the dates indicated in the calendar of the subject. In no case may extraordinary tests be done outside the established dates.

If applying the aforementioned weights, the student's grade is 5 or higher, the subject is considered passed and the subject cannot be subject to a new evaluation. In the case of a grade lower than 3.5, the student will have to redo the subject in the next academic year.

Assessment Activities

Title	Weighting	Hours	ECTS	Learning Outcomes
Tests and other exercises and work	30% of the final grade	3.5	0.14	1, 2, 3, 4, 5
Written Tests	70% of the final grade	4	0.16	1, 2, 3, 4, 5

Bibliography

Mankiw, G.N (2012): Principios de economía, 6ª ed., Ediciones Paraninfo.

Samuelson, P.; Nordhaus, W. (2010): Economía. Ed. McGraw-Hill.

Mochón, F. (2009): Economía. Teoría y Política. Ed. McGraw-Hill.

Krugman, P., R. Wells & K. Graddy (2013): Fundamentos de Economía, Editorial Reverté.

Perdices de Blas, L.; Gallego Abaroa, E., Mujeres Economistas. Editorial del Economista. Madrid, 2007.

E-Book of the Project CORE: <https://www.core-econ.org/>

Recommended Link to additional resources:

<http://introduccioeconomia-dea.uab.cat/>

Other Web Links

- International Monetary Fund (IMF): <http://www.imf.org/external/esl/index.asp>

- Banc of Spain (BE): <http://www.bde.es>
- European Central Bank (ECB): <http://www.ecb.int/home/html/lingua.es.html>
- Instituto Nacional de Estadística (INE): <http://www.ine.es>