

COURSE SYLLABUS

Microeconomic Foundations of Economic and Financial Analysis, 7.5 credits

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Course Code:	JMFR24	Education Cycle:	Second-cycle level
Confirmed by:	Council for Undergraduate and Masters Education Jan 4, 2013	Disciplinary domain:	Social sciences (75%) and natural sciences (25%)
Revised by:	Council for Undergraduate and Masters Education Jan 13, 2014	Subject group:	NA1
Valid From:	Jul 1, 2014	Specialised in:	A1N
Version:	1	Main field of study:	Economics
Reg number:	IHH 2014/4398-122		

Intended Learning Outcomes (ILO)

On completion of the course the student will be able to:

Knowledge and understanding

- explain or demonstrate the cornerstone theories of consumption, production, demand and supply.
- explain or demonstrate the comparative features of different markets, and the specific problems faced by the agents active in them.

Skills and abilities

- use formal descriptions of market demand and supply for analytical purposes.
- optimise the strategies of agents operating in markets of different types.
- use economic analysis and mechanism design to evaluate contracts and their incentive properties.
- identify the general role that adverse selection, moral hazard and contract renegotiations play in the interactions among economic agents.

Judgement and approach

- carry out and present economic analysis and strategic thinking in a logically consistent way, taking the factual evidence into account.

Contents

The Course provides an introduction to the economic analysis of the behavior of economic agents and institutions. The main topics covered are:

- The methodology of economic analysis
- Formal representations of the behaviour of consumers and firms
- Investment decisions
- Games and strategic behaviour
- Competitive market analysis
- Analysis of oligopolistic markets and markets with asymmetric information
- Contracts and their incentive properties

The coverage of the analytical tools enables the students to immediately apply such tools to concrete

problems, and provides the foundations for further studies in Economics and in Finance.

Type of instruction

Lectures and workshops.

The teaching is conducted in English.

Prerequisites

Bachelor's degree in Economics (or the equivalent).

Examination and grades

The course is graded A, B, C, D, E, FX or F.

All of the intended learning outcomes are assessed through a written examination which accounts for 100% of the course credit and course grade.

Registration of examination:

Name of the Test	Value	Grading
Examination ^{1,3}	7.5 credits	A/B/C/D/E/FX/F

¹ Determines the final grade of the course, which is issued only when all course units have been passed.

³ Written Examination

Course evaluation

At the outset of the course the course manager ensures that course evaluators are elected (or exist) among the students. The course evaluation is carried out continuously as well as at the end of the course. On the completion of the course the course evaluators and course manager discuss the course evaluation and possible improvements. The result is reported to, among others, the Associate Dean for Education, the Council for Undergraduate and Master Education, and the Board of Directors of JIBS. The course manager shall at the outset of the following course report results and measures taken in the previous course evaluation.

Course literature

Literature

- R. Preston McAfee, Introduction to Economic Analysis. Flat World Knowledge, 2009. ISBN 13: 978-0-9820430-9-7
- Handouts posted in the web-page of the Course.