УНИВЕРСИТЕТ ЗА НАЦИОНАЛНО И СВЕТОВНО СТОПАНСТВО

UNIVERSITY OF NATIONAL AND WORLD ECONOMY

Adopted with Faculty Council decision
of Faculty of General Economics Protocol №
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Approved by:
Dean of Faculty
Dean of Faculty- Prof. Georgi Petrunov, PhD

SYLLABUS

Course		**MICROECONOMICS**	
Course Category		**COMPULSORY**	
Area of Study		**3. SOCIAL SCIENCES, ECONOMICS AND LAW**	
Field of Study		**3.8. ECONOMICS**	
Degree Programme		**ALL PROGRAMMES TAUGHT IN ENGLISH**	
Educational and Qualification Degree		**BACHELOR OF ECONOMICS**	
Faculty		**GENERAL ECONOMICS**	
Department		**ECONOMICS**	
Academic Hours/classes		**Full Time**	**60 hours**
		Distance Learning	
Extracurricular activities		**Full Time**	**90 hours**
		Distance Learning	
Credits		**6**	
Lecturer		**DEPARTMENT OF ECONOMICS**	

COURSE DESCRIPTION

1. The discipline "Microeconomics" has been taught to students enrolled in Bachelor's degree in all specialties of professional field "Economics" since the academic 1993/1994 year. In terms of content it is related to the university disciplines "Macroeconomics" and "International Economics".

2. Content description:

In the "Microeconomics" course, the motives, principles and objectives of rational economic behavior of economic units (firms, households, government, agents and non-government organizations) are presented. Special attention is paid to the choice how the limited resources will be used in order to satisfy the unlimited needs at the market through competitive mechanisms. Various market structures are examined as well as the optimizing behavior of producers and consumers whose main goal is to achieve maximum benefits. The logic of market interaction is studied for the input markets and market of finished goods as the results are assessed through the economic efficiency and economic effectiveness criteria. The analysis end up with the concept of market equilibrium, market failures and the necessity of government intervention at micro level in order the competitive mechanisms, goods production, satisfying public needs and fair income distribution to be stimulated.

3. Language of instruction: English

СЪДЪРЖАНИЕ

№	ТЕМА	Аудиторна заетост (часове)			
		Редовно обучение		Дистанционно обучение	
		Л	У	Л	У
1.	**THE ECONOMIC PROBLEM AND ECONOMIC SYSTEMS** Economic system parameters. What, how and for whom to produce. Production possibility frontier, production possibility curve and production possibility table. Specialization and opportunity costs. Comparative advantages. Structure and organization of the economic systems. Types of economic systems. Mixed economy.	4			
2.	**ELEMENTARY THEORIES OF DEMAND AND SUPPLY. ELASTICITY** Introduction. The market-interaction amongst the market forces. Demand. Supply. Market equilibrium. General concept for elasticity. Elasticity of demand. Elasticity of supply. Price elasticity of supply over time. Market reactions piral.	4			
3.	**UTILITY AND CONSUMPTION** Needs, goods and utility. Law of needs and utility. Cardinal and ordinal utility. Total, average and marginal utility. Relations of the total, average and marginal utility variations. Consumer surplus. Rational choice and consumer's equilibrium according to the cardinal approach. Income effect and substitution effect. Marginal utility and demand curve.	4			
4.	**BUDGET CONSTRAIN AND CONSUMPTION CHOICE** Indifference curve and indifference map. Terms of substitution. Marginal rate of substitution. Substitution area. Budget line. Marginal rate of transformation. Income effect variations in the price of one good and in the price of two goods. Consumer's equilibrium according to the ordinal approach. Income-	4			

	Consumption curve. Engel curve. Price-Consumption curve				
5.	**PRODUCTION IN THE SHORT RUN PERIOD** Production as a process. Factors of production. Optimal combination and effectiveness of the factors of production. Production function. Periodization of production according to A. Marshal. Current and long-term business goals and solutions. Optimizing the production function and technological choice. Total, average and marginal product. Average and marginal performance of factors of production.	4			
6.	**PRODUCTION IN THE LONG RUN PERIOD** Production function in the long run period. Isoquant curves and marginal rate of technical substitution. Cost constraint and isocosts. Producer's equilibrium. Producer's expansion path. Choice of optimal factor combination/technology.	4			
7.	**THE FIRM. COSTS, REVENUES AND PROFIT** Various cost types in the short run period: fixed and various costs, total and average costs, marginal costs. Variations and relations among production costs. Costs of the firm in the long run period. Returns to scale. Revenues of the firm. Total, average and marginal revenues. Firm profit – normal and economic profit. Maximizing the profit in the short and long run period.	4			
8.	**PERFECT COMPETITION** The firm and the market structure. Competitive behavior of firms and various types of market structures. Characteristics of the perfect competition. Behavior and supply curve of perfectly competitive firm. Behavior of perfectly competitive firm in the short run period. Short run equilibrium of the perfectly competitive firm and short run supply curve of the perfectly competitive firm. Industry supply curve and market supply curve. Firm and industry equilibrium in the long run period. Firm and industry supply curve in constant, increasing and decreasing average costs. Perfect competition and effectiveness.	4			
9.	**IMPERFECT COMPETITION. MONOPOLY** Monopoly definition. Natural, economic and legal monopoly. Market demand in pure monopoly. Marginal revenues and demand elasticity. Monopoly profit maximizing equilibrium. Price discrimination. Monopoly behavior strategies. Pure monopoly and perfect competition – comparative analysis. Economic and social costs of monopoly. Monopoly regulation	4			
10.	**MONOPOLISTIC COMPETITION** **OLIGOPOLY** Monopolistic competition definition. Product differentiation, innovation and marketing. Equilibrium of a monopolistic competitive firm in the short and long run period. Economic effectiveness and resource distribution in monopolistic competition. Oligopoly definition. Oligopoly models. Cartel agreements. Price leadership in an oligopoly. Average costs basis method. Cournot's model. Bending demand curve. Economic effectiveness and resource distribution in oligopoly. Industry competition.	4			
11.	**INPUT MARKETS** Characteristics of the input markets. Behavior of firm, using one variable factor. Marginal revenue product of the factor. Profit maximization. Firm demand curve of the factor of production. Behavior of firm, using two variable factors. Substitution effect	4			

	and the effect of production. Factor demand elasticity. Factor supply. Factor productivity incomes. Economic income and transfer costs.Pricing in perfect and imperfect competition at input markets.				
12.	**LABOR MARKETS** **CAPITAL MARKETS. LAND MARKETS** Structure and functioning of labor markets. Individual and market labor demand curves. Individual and market labor supply curves. Income effect and substitution effect. Equilibrium of the competitive labor markets. Wage. Return on human capital investments. Labor demand and supply curves in imperfect competition. Monopsony. Equilibrium in a monopsony. Bilateral monopoly at the labor markets. Labor unions and collective bargaining. Economic and social effects of the labor unions. Firm capital and investments. Total and pure return on capital. Time value and discounted cash flows. Marginal efficiency of capital and capital demand. Capital markets equilibrium. Loanable funds demand. Interest rate – determinants. Nominal and real interest rate. Earning assets price. Stock market definition and risk capital. Entrepreneurship and profit. Land as a factor of production. Land supply curve. Land demand curve. Equilibrium of the land markets. Land rent – definition and types. Assessing the alternative land use.	4			
13.	**GENERAL EQUILIBRIUM AND WELFARE ECONOMICS** Partial and general equilibrium. Analysis of the general market equilibrium in perfect competition. Technology efficiency and X-inefficiency. Distributive efficiency. Pareto Optimality. Pros and cons of market in perfect competition. Efficiency and fairness. Welfare economics. Social welfare function.	4			
14.	**FUNCTIONAL MARKET FAILURES AND ECONOMIC ROLE OF GOVERNMENT** Market failures - characteristics. Various market failures: market monopolization, information asymmetry, externalities, public goods. Types of public goods. Inefficiency of the provision of pure public goods. Public goods demand curve. Optimal supply of public goods. Public choice and representative democracy model. Externalities - types. The internalization of external effects mechanisms. Coase's theorem. Economic and social costs of limiting the negative externalities.	4			
15.	**SOCIAL MARKET FAILURES AND INCOME DISTRIBUTION** Impact of the market on the income distribution. Income distribution and inequality. Equitable distribution theories. Income inequalities and their measurement. Lorenz curve. Distribution of wealth. Poverty, equity and efficiency. Redistributive policy. Types of taxes. Average and marginal tax rate. Alternative tax base. Scope of taxes. Sharing tax burden between buyers and sellers. Deadweight loss measurement. Optimal taxation.	4			
	Общо	**60**			

Легенда: Л – лекции; У – упражнения

TEACHING AND LEARNING METHODS

A combination of different teaching techniques and methods is applied in instruction such as lectures, seminars, discussions, outsourced training in a business environment or administration, individual assignments, reports, surveys, case studies, among other methods. The teaching strategy incorporates traditional lectures and modern interactive methods of teaching as well. At lectures, the main theoretical principles and relations in microeconomics are presented through graphics, statistical data and logical schemes. During the lectures, some problems from the practice are discussed and some numerical problems and multiple choice questions are solved.

The necessary technical resources for the purpose of education are: computer multimedia, software, Information and communications technologies (ICT), e-learning platforms (Teams, etc.), digitally-aided education and other digital means

During the extracurricular academic hours students do individual tasks, reports, surveys, case studies and etc. and prepare themselves for the mid-term and the final exam. The student works are separately evaluated and have specific weight in the final grade of the course.

EXTRACURRICULAR ACADEMIC HOURS

Components	Number of Hours	
	Full Time	Distance Learning
1. Practical training		
2. Course project		
3. Essay		
4. Case study		
5. Individual/ team activity		
6. Laboratory training		
7. Mid-term exam/ test	45	
8. Ongoing assessment		
9. Exam	45	
Total	**90**	

ASSESSMENT

The course assessment consists of several components.

For full time students the final grade is formed as follows:

FG = 0,5 E + 0,5 MTE

where:

FG = Final Grade;
E = Exam
MTE = Mid-Term Exam;

Electronic platforms (such as MS Teams; Google Forms; Moodle) and other modern educational technologies are used, both for training and for assessing and controlling its results, including the use of a test center.

The final grade is based on a six-point scale, in which the lowest grade for successful completion of the course is 3. Converted to the ECTS the grading scale the grades are as it follows:

Excellent /6/	Very Good /5/	Good /4/	Average /3/		Poor /2/	
A	**B**	**C**	**D**	**E**	**FX**	**F**
The corresponding number of ECTS credit points is being allocated					No ECTS credit points are being allocated	

QUALIFICATION GOALS

This course is designed in compliance with the requirements of the National Qualification Framework[1] in terms of acquired knowledge, skills and competences for the corresponding EQD and Council Recommendation of Key Competences for Lifelong Learning[2].

The course provides the students with the knowledge of:

- The general principles of market exchange and pricing of goods and factors of production;
- The characteristics of various types of market structures and the impact of competitive and non-competitive market environment on the economic efficiency;
- The principles of maximizing behavior of economic agents and the possible realization of their goals;
- The general market equilibrium, market failures and the necessity of government intervention.

The course will help students acquire skills such as:

- Individually analyze the market forces and establish relations among them;
- Compare the various market structures and make conclusions about the perfect competition deviations;
- Evaluate economic parameters concerning the microeconomic agents;
- Make conclusions about the rationalization of students 'own behavior in a dynamic market environment.

DISSEMINATION OF THE COURSE

1. London School of Economics, Great Britain;
2. Humboldt Universitat, Germany
3. Kent University, Great Britain

LITERATURE

A. Basic

1. Spasov, Tr. i kol. (2011). Mikroiikonomika. Pyrvo izdanie, UI "Stopanstvo", Sofiya. (Спасож, Тр. и кол. (2011). Микроикономика. Първо издание, УИ "Стопанство", София.

2. Mirkovich, K. (2003). Mikroikonomiks, Vtoro izdanie, Sofiya, "trakiya-M". (Миркович, К. (2003). Микроикономикс, Второ издание, С., "Тракия-М").

[1]The National Qualification Frame of Bulgaria gives the definition of the knowledge, skills and competences which are required as a result of the education process in the corresponding EQD in higher education.
[2]Council Recommendationon Key Competences for Life long Learning (OJ 2018/C 189/01)

3. Banerjee S. (2021). Intermediate Microeconomics. A tool-building approach, 2nd Edition, Routledge.
4. Goolsbee, A. Steven Levitt, Chad Syverson. (2024). Microeconomics Fourth Edition.
5. Krugman, K. Wells, R. (2014). Microeconomics, Publisher: WorthPublishers, 4th Edition, ISBN 13: 9781464143878
6. Tandon, P. (2024). Microeconomic Theory. An Intermediate Text, Taylor & Francis, ISBN:9781040085813, p. 510.
7. Browning, E. K., Zupan, M. A. (2020). Microeconomics: Theoryand Applications. John Wiley and Sons, Inc.ISBN 978-0-471-67943-1.
8. Besanko, D. Braeutigam, Ronald. (2020). Microeconomics. 6th Edition, John Wiley&Sons.
9. Kreps, David, M. (2019). Microeconomics for managers. PrincetonUniversityPress.
10. Perloff J. M. (2023). Microeconomics, 9th edition, University of California-Berkeley.
11. Open Stax. (2022) Principles of Microeconomics, Third Edition, Kendall Hunt Publishing.
12. McKenzie, B. R., Schansberg, E. D., Lee, R. D. (2024). Microeconomics for Managers Principles and Applications, Cambridge University Press ISBN:9781009354752

B. Additional

1. Browning, E. K., Zupan, A. M. (2020). Microeconomics: Theory and applications. John Wiley&Sons.
2. O'brien, A. P. Glenn P Hubbard (2016). Microeconomics", Published by Pearson College Div, 6th Edition, ISBN:10: 0134106245
3. Pancs, R. (2024). Lectures on Microeconomics The Big Questions Approach, MIT Press, ISBN:9780262552899, p. 344.
4. Malaga, Kr. Sobczak, K. (2022). Microeconomics Static and Dynamic Analysis, Springer International Publishing.
5. Varian, H., Melitz, M. (2023). Intermediate Microeconomics: A Modern Approach (Eighth Edition), https://faculty.ksu.edu.sa/sites/default/files/microeco-_varian.pdf

C. Electronic and web-based resources

1. https://nsi.bg/bg
2. https://www.bnb.bg/
3. https://www.imf.org/en/Home
4. https://www.worldbank.org/en/home

Author / Lecturer: _____

Department of Economics

Head of Department: _____

(Assoc. Prof. Dr. Ivaylo Beev)

Dean of Faculty: _____

(Prof. Dr. Georgi Petrunov)