

# Course Syllabus

## Name of course/module: Consumer and Firm Behavior

Year:2018/2019

Code: P954001104

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Degree program: ADE-GLOBAL

School: Social Sciences

Languages: English and Spanish

*The mission of Universidad Europea is to offer its students a holistic education, helping them become leaders and professionals capable of responding effectively to the needs of today's global world, adding value within their career fields, and contributing to social advancement through their entrepreneurial spirit and ethical integrity. We also strive to create and transfer knowledge through applied research, thus making our own contribution to progress and putting ourselves at the forefront of intellectual, scientific, and technological development.*

## Contents

1. Basic information on the course/module.....	4
2. Presentation of the course/module .....	4
3. Competencies and learning outcomes .....	4
4. Monitoring and assessment .....	7
4.1. First exam period .....	8
4.2. Second exam period .....	8
5. Bibliography.....	9
6. How to communicate with your professor .....	9
7. Study recommendations .....	10
Annexes with detailed information on the <i>Campus Virtual</i> .....	<b>¡Error! Marcador no definido.</b>

## 1. Basic information on the course/module

<b>ECTS</b>	6
<b>Credit type</b>	Mandatory
<b>Language</b>	English
<b>Delivery mode</b>	Presntial
<b>Trimester/Semester</b>	2 <sup>nd</sup> Semester

## 2. Presentation of the course/module

Supply, demand and market equilibrium are the key concepts of economic analysis and should, therefore, be in the toolbox of any professional in the economics and business fields, as well as in many others. In this course we will study the foundations of the market demand and supply functions by looking, respectively, at how rational economic agents maximize the utility derived from consuming goods and services and at how rational firms maximize their profits. As it turns out, profit maximization has different implications depending on whether the markets in which a firm operates are more or less competitive. We will therefore look at different market structures including perfect competition, monopoly and intermediate forms such as monopolistic competition and oligopoly.

This is an introductory course, with no knowledge prerequisites other than a basic understanding of economics.

## 3. Competencies and learning outcomes

Core competencies:

- CB2: That students know how to apply their knowledge to their job or vocation in a professional way and have the skills that can be demonstrated through the elaboration and defense of arguments and the solving of problems within their studies field
- CB3 – That Students must have the ability to gather and interpret relevant data (usually within their area of study) to make judgments that include a reflection on relevant issues of a social, scientific or ethical nature.
- CB4 – Students must transmit information, ideas, problems and solutions to a specialized and non-specialized public.

Cross-curricular competencies:

- CT4 - Capacity of analysis and synthesis: ability to decompose complex situations in their constituent parts; ability to evaluate other alternatives and perspectives to find ideal solutions. The synthesis tries to reduce the complexity in order to understand better and / or solve problems.
- CT08: Management of the information: Aptitude to search, to select, to analyze and integrate information from diverse sources.
- CT12: Critical reasoning: Aptitude to analyze an idea, phenomenon or situation from different perspectives and to assume before him / her an own and personal approach constructed from rigor and argued objectivity, and not from the intuition.
- CT13: Problem Solving: ability to find a solution to a confusing issue or a complicated situation without a predefined solution, which makes it difficult to achieve a given end.
- CT16: Decision making: ability to choose among alternatives or methods to effectively solve different situations or problems.

Specific competencies:

- CE1: Ability to know and understand the concept of business and entrepreneur and its role in a market economy.
- CE5. Ability to analyze and evaluate the competitive environment of a firm, especially to the market, and use this analysis to develop new endeavors.
- CE16. Ability to understand and analyze consumers' behavior: to evaluate and predict behaviors and trends in the different customer segments for a given product or service, geographically, culturally or demographically.
- CE21. Ability to use the mathematical tools needed to solve economic problems, as well as basic methods in calculus, algebra and programming.

Learning outcomes:

- LO1: Acquire the capacity to know and understand how to apply the basic tools of economic analysis to Consumer Behavior (buying decisions and demand curves), Firm Theory (production, costs, input demand and supply functions) and to the dynamics of competitive and monopolistic markets, price determination and their impact on society.
- LO2: Acquire the capacity to analyze and research how to apply the basic tools of economic analysis to Consumer Behavior (buying decisions and demand curves), Firm Theory (production, costs, input demand and supply functions) and to the dynamics of competitive and monopolistic markets, price determination and their impact on society.

- LO3: Acquire the capacity to solve practical and real cases requiring the application of the basic tools of economic analysis to Consumer Behavior (buying decisions and demand curves), Firm Theory (production, costs, input demand and supply functions) and to the dynamics of competitive and monopolistic markets, price determination and their impact on society .

The table below shows the relation between the competencies developed during the course and the envisaged learning outcomes:

Competencies	Learning Outcomes
CE1, CE16	LO1
CB3,CE5,CE21	LO2
CB2, CB4	LO3

The following table shows how the different types of activities are distributed and how many hours are assigned to each type:

Type of Educational Activity	Number of Hours
AF1: Lectures	20 h
AF2:Autonomous Work	25 h
AF3: Oral Presentations	15 h
AF4: Case Analysis and Problem Solving	40 h
AF5: Visits/External Activities	5h
AF6: Team Activities	20h
AF7: Graded Activities/Exams	5h
AF8:Tutoring	20h
<b>TOTAL</b>	<b>150 h</b>

To develop the competencies and achieve the learning outcomes, you will have to complete the activities indicated in the table below:

Learning Outcome	Learning Activity	Type of Educational Activity	Content
LO1, LO2	ACT1, ACT2	AF1,AF2,AF4,AF7,AF8	<b>Chapter 1</b> – Introduction
LO1, LO2, LO3	ACT1, ACT2, ACT3, ACT4, ACT5	AF1,AF2,AF3,AF4,AF6,AF7,AF8	<b>Chapter 2</b> – Consumers: Budget Constraint <b>Chapter 3</b> -Consumers: Preferences and Indifference Maps. <b>Chapter 4</b> -Consumers: Optimal Choice and Market Demand <b>Chapter 5</b> –Applications of Market Demand
LO1, LO2, LO3	ACT1, ACT2, ACT5	AF1,AF2,AF3,AF4,AF5, AF6,AF7,AF8	<b>Chapter 6</b> -Firms: Production, Cost Functions and Cost Curves. <b>Chapter 7</b> - Firms: Profit Maximization
LO1, LO2, LO3	ACT1, ACT2, ACT3, ACT4, ACT5	AF1,AF2,AF3,AF4,AF6,AF7,AF8	<b>Chapter 9</b> - Perfect Competition <b>Chapter 10</b> -Monopoly

When you access the course on the *Virtual Campus*, you'll find a description of the activities you have to complete, as well as the deadline and assessment procedure for each one.

## 4. Monitoring and assessment

The following table shows the assessable activities, their respective assessment criteria, and the weight each activity carries towards the final course grade.

Assessable Activity	Assessment Criteria	Weight (%)
<i>ACT1: Classroom Lectures: attendance and participation</i>	<ul style="list-style-type: none"> <li>Knowledge Test (Exam)</li> </ul>	50%
<i>ACT2: Cases and Problems (Individual and/or Team based): exercises, guided activities of microeconomic applications in different contexts</i>	<ul style="list-style-type: none"> <li>Case Analysis and Problems</li> </ul>	20%

<i>ACT3: Project based Learning: Team Projects on trends analysis, market structures, industries,... based on real cases.</i>	<ul style="list-style-type: none"> <li>Papers/Projects</li> </ul>	15%
<i>ACT4: Individual or Group oral presentations of papers, projects, practical cases, flipped classroom,....</i>	<ul style="list-style-type: none"> <li>Performance observation</li> </ul>	10%
<i>ACT5: Cooperative Learning: research and analysis, debates on microeconomic subjects related to consumers, firms and market structures.</i>	<ul style="list-style-type: none"> <li>Performance observation</li> </ul>	5%

When you access the course on the *Campus Virtual*, you'll find a description of the activities you have to complete, as well as the deadline and assessment procedure for each one.

#### **4.1. First exam period**

The grading policy for the semester is based on continuous evaluation so that if you fail in completing (totally or partially) any of the Assessable Activities above, the grade for the corresponding activity will be a 0/10, unless explicitly stated otherwise by the instructor on an individual basis. Make up exams will only be given in exceptional, duly justified occasions and when requested at least 24 hours before the exam date. Class attendance will be registered either through the technological devices set by the University or, alternatively, through the attendance registration mechanism determined by the instructor.

In order to pass the course in the first exam period, you will need to have a final weighted average grade of at least 5/10 across all Assessable Activities above, a minimum weighted average of 4/10 in the midterm and final exams and a class attendance of at least 50%. Should you fail to satisfy any of these three requirements, you will fail the course in this period.

#### **4.2. Second exam period**

Students who fail the course in the First Exam Period will be allowed a second opportunity in the following conditions:

- If the student failed the course because the minimum weighted average in the midterm and final exams was less than 4/10, she/he will have to take another final exam that will count for 50% of the grade. The rest of grades obtained during the course will be maintained.
- If the student failed the course because he/she did not assist to at least 50% of the lectures, the instructor will assign the student the exams, case studies/exercises and/or written papers deemed necessary to pass the course under the weighted averages stated above.
- If the student failed the course because, possibly in addition to the above, he/she did not comply with any of the previous requirements, he/she will be assigned the remedial work needed to pass the course. All this work will have to be given to the instructor by the deadlines that will be set accordingly.

## 5. Bibliography

In addition to the lecture notes, examples and business cases discussed in class

- Pindyck and D. Rubinfeld , *Microeconomics* (8<sup>th</sup> Ed), Pearson
- Robert H. Frank, *Microeconomics and Behavior* (9th Ed.), McGraw Hill
- S. Levitt and S. Dubner, *Freakomics*, Harpers Collins (2006)
- Dan Ariely, *Predictably Irrational: The Hidden Forces that Shape our Decisions*, Harper Collins (2008).
- S. Landsburg, *The Armchair Economist*, Free press, 2012
- T. Hartford, *The Undercover Economist*, Oxford University Press, 2006

## 6. How to communicate with your professor

Whenever you have a question about the content or activities, don't forget to post it to your course forum so that your classmates can read it.

You might not be the only one with the same question!

If you have a question that you only want to ask your professor, you can send him/her a private message from the *Campus Virtual*. And if you need to discuss something in more detail, you can arrange an advisory session with your professor.

It's a good idea to check the course forum on a regular basis and read the messages posted by your classmates and professors, as this can be another way to learn.

## 7. Study recommendations

When you study at university, you need to plan and be consistent from the first week. It's very useful to exchange experiences and opinions with professors and other students, as this will help you develop core competencies such as flexibility, negotiating skills, teamwork, and, of course, critical thinking.

To help you, we recommend using a general method of study based on the following points:

- Study systematically and at a steady pace.
- Attend class and regularly check the course forum on the *Campus Virtual* so that you keep up to date with what's happening.
- Participate actively in the course by sharing your opinions, doubts and experiences relating to the topics covered and/or suggesting new topics of interest for discussion.
- Read the messages posted by your classmates and/or professors.

Active participation in physical and virtual classroom activities is of special interest and academic value. You can participate in many different ways: asking questions, giving your opinion, doing all the activities your professor suggests, taking part in collaborative activities, helping your classmates, etc. This way of working requires effort, but it will help you get better results as you develop your competencies.