

Economics 1
Syllabus
University of Zagreb

Course Description

Definitions and basic terms of economics and microeconomics. The Production Possibilities Curve. Demand and Supply models. Equilibrium. Demand and Supply shifts. Externalities, public goods. The elasticity of supply and demand. Markets. Utility maximization. Consumer behavior. Production and costs. Market structures: monopoly, perfect competition, monopolistic competition, oligopoly, game theory. The assessment of investment projects. The risk and uncertainty. Planning a career in the real sector.

Learning Outcomes

1. Explain the basic concepts of economics
2. Explain the functioning of competitive markets on the basis of the supply and demand law
3. Explain consumer behavior
4. Explain and apply the concept of elasticity in modeling of supply and demand
5. Identify the key factors in making business decisions
6. Calculate specific measures related to production and costs
7. Distinguish market structures that affect the behavior of enterprises
8. Calculate the cost effectiveness of different investment options by applying simple methods to assess profitability
9. Identify the risks associated with investments and participation in the market

Forms of Teaching

Lectures

Lectures are designed as 13 thematic units that are logically continue each other. Following the lectures, students are introduced to the problems of the basics of economics, markets and market participants, making business decisions, and business risks.

Partial e-learning

Using the Moodle eLearning system, compulsory reading and supplementary reading literature, video clips, solved computational and self-test tasks are made available.

Independent assignments

Using the Moodle eLearning system, students have at their disposal solved computational tasks and tasks to test their own knowledge.

Grading Method

Type	Continuous Assessment		Exam	
	Threshold	Percent of Grade	Threshold	Percent of Grade
Homeworks	0 %	20 %	0 %	20 %
Class participation	0 %	10 %	0 %	10 %
Mid Term Exam: Written	0 %	30 %	0 %	
Final Exam: Written	0 %	40 %		
Exam: Written			50 %	30 %
Exam: Oral				40 %

Week by Week Schedule

1. Economy definition, Microeconomy nad Macroeconomy, Microeconomic Concepts: scarcity, resources, opportunity costs, Normative and Positive Economy, Factors of Production, The Production Possibilities Curve
2. Suply, Demand, Demand, Suply, and Equilibrium
3. Curves of Demand and Supply - Shifts, Government Intervention in Market Prices: Price Floors and Price Ceilings, Externalities and public goods, Market
4. Definition - A Measure of Response, The Price Elasticity of Demand, Responsiveness of Demand to Other Factors, Income Elasticity of Demand, Cross Price Elasticity and Types of Goods, Price Elasticity of Supply
5. Introduction to measures: total, average, marginal, Concepts: Net Benefit, Marginal Benefit, Marginal Cost, marginal decision rule, Using Marginal Benefit and Marginal Cost Curves to Find Net Benefits
6. Utility Theory, Utility Maximization and Demand, Indifference Curves, Budget line, Indifference Curves and Budget line: Consume Choice
7. Factors of Production, Production Function
8. Midterm exam
9. Production Choices and Costs: The Short Run, Production Choices and Costs: The Long Run
10. Perfect competition: A Model, Output Determination in the Short Run, Perfect Competition in the Long Run, The Nature of Monopoly, The Monopoly Model, Assessing Monopoly

11. Monopolistic Competition: Competition Among Many, Advertising and Price Discrimination, Oligopoly: Competition Among the Few, Game Theory
12. Interest- the cost of money, Cash flows, Inflation and its measures, Project screening methods, Financial profitability
13. Reliability and risk as part of performance and life, Reliability and risk theory and concepts, Failure models and mechanisms, Risk assessment methods, Event tree method, Probabilistic safety assessment method
14. Recruitment process in a large company, Importance of career planning, Narrow specialization or orientation to management, Importance of social skills for advancement, Career in SMEs, Creating the first business plan, Realistic assessment of the necessary investments
15. Final exam