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| | <u>Subject title:</u> MICROECONOMICS | | | |
| <u>Subject code:</u> | <u>Subject Status:</u> | <u>Semester:</u> | <u>Credit value:</u> | <u>Teaching load:</u> |
| MBS/MK1 | Compulsory | I | 7 | 4L+2T |

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| <u>Study programme:</u> Academic Undergraduate Studies: Financial Management/Marketing |
| <u>Responsible Staff:</u> Assistant Professor: Jelena Janjušević, PhD; Teaching Assistant: Marija Janković, PhD |
| <u>Pre-requisite:</u> Nil |
| <u>Mode of study</u> Lectures, tutorials, seminar papers |
| <u>Assessment:</u> A student is awarded a basic grade which is formed according to the following criteria: <ol style="list-style-type: none"> 1. A grade at the final exam (0-40 points) 2. An average of grades at mid-term exams according to the following pattern: 0,30x 1st mid-term test + 0,30x 2nd mid-term test, provided that a student cannot have less than 40 points (out of 100) at any of the exams. The basic grade achieved in this way increases <ul style="list-style-type: none"> - by 10 points for regular attendance and 10 points for student active participation (seminar paper, etc.) |
| <u>Objectives:</u> Introduction to, analysis and understanding of fundamental microeconomic processes. |

SYLLABUS:

- Basic principles of Microeconomics
- Subject matter and method of Microeconomics
- Interdependence and benefits from trade
- Market laws of supply and demand
- Elasticity and its application
- Supply, demand and government policy
- Consumers, manufacturers and market efficiency
- Taxation costs
- International trade
- External effects, public goods and common resources
- Tax system concept
- Production costs
- Enterprises on competitive market
- Monopoly
- Oligopoly
- Monopolistic competition
- Production factors market

- Wages and discrimination
- Income inequality and poverty

READING LIST AND REFERENCES:

- Varian Hall: *Microeconomics – Modern approach* (Last edition)
- Rubinfeld and Pindyak: *Microeconomics*
- Case K.E. and R.C. Fair: *Economics*, Pearson, Upper Saddle River (NJ), 1996
- Hall R.E and M. Lieberman: *Economics: Principles and Applications*. Thomson, 2005