

	<u>Subject title:</u> <b>MICROECONOMICS</b>			
<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

<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"> <li>1. A grade at the final exam (0-40 points)</li> <li>2. An average of grades at mid-term exams according to the following pattern: 0,30x 1<sup>st</sup> mid-term test + 0,30x 2<sup>nd</sup> 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"> <li>- by 10 points for regular attendance and 10 points for student active participation (seminar paper, etc.)</li> </ul> </li> </ol>
<u>Objectives:</u> Introduction to, analysis and understanding of the 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 Pendiak: *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