

COURSE SPECIFICATION DOCUMENT

Academic School/Department:	Richmond Business School
Programme:	Economics
FHEQ Level:	5
Course Title:	Intermediate Microeconomics
Course Code:	ECN 5205
Student Engagement Hours:	120
Lectures:	45
Independent / Guided Learning:	75
Credits:	12 UK CATS credits 6 ECTS credits 3 US credits

Course Description:

This course offers an intermediate approach to Microeconomics with a greater emphasis on quantitative approaches to problem solving. More attention is paid to imperfectly competitive market structures and the corresponding market outcomes. The course addresses imperfect market structures and alternative models to the traditional theory of the firm.

Prerequisites:

ECN 4105 Introduction to Microeconomics

Aims and Objectives:

This course will study economic markets and the decision-making within those markets. The markets that will be studied are competitive and non-competitive markets and those within which economic agents act strategically. Behavioural forms will be studied in a highly analytical and rigorous form, and more mathematical sophistication is required for this course. In some cases, game theoretical approaches will be used. The theoretical part of the course will be supplemented with applied examples.

Programme Outcomes:

ECN: A1, A5, B1, B2, C1-C8

A detailed list of the programme outcomes is found in the Programme Specification. This is maintained by Registry and located at: <https://www.richmond.ac.uk/programme-and-course-specifications/>

Learning Outcomes:

By the end of this course, successful students should be able to:

Knowledge and Understanding

- Demonstrate an in-depth understanding of the theory of the household and the theory of production.
- Analyse the effects of changes of the determining variables.
- Identify the economic implications of various market structures and judge their implications on welfare
- Critically assess economic policy options that aim at the correction of market failures.

Subject-Specific Skills

- Make use of abstract and mathematical methods of analysis.
- Assess the appropriateness of a model to a given situation, and apply appropriate microeconomic models to given situations.
- Demonstrate an understanding of game theoretical approaches and can solve problems of imperfect market structures.
- Communicate the assessment and the limitations of the given models.

Other Skills

- Demonstrate critical awareness of the concepts of production cost implications such as opportunity costs and strategic costs as well as marginal analysis.
- Interpret incentive structures within the economic framework, linking strategy with desired outcome and expectations.
- Make use of the behavioural and strategic foundations of game theoretical approaches and apply the conclusions to complex chains of behavioural events.
- Show insight into the effects of exchange and the foundations of Pareto-Economics within a partial and a general equilibrium analysis.
- Critically appraise the market form of perfect competition compared to imperfect competition in a rigorous analytical form.

Indicative Content:

- Introduction, Assumptions, Models, Methodology Structure-Conduct-Performance Approach
- Household Theory (Constraints, Preferences, Utility, Choice)
- Demand Theory and Estimation of Demand
- Changes in Demand and Slutsky Equation
- Inter-temporal Choice and Uncertainty
- Market Demand: Elasticity and Revenue
- Production Theory: Production Functions and Isoquant Analysis
- Profit Maximization and Cost Minimisation
- Production Costs and Cost Curves
- Firm Supply and Industry Supply
- Market Equilibrium and Pareto-Efficiency
- The Deadweight Loss of a Tax
- Monopoly
- Monopsony and the Case of the Minimum Wage
- Oligopoly
- Concentration Measurement
- Firm Strategy and Performance
- Welfare Concepts, Externalities, Public Goods

Assessment:

This course conforms to the University Assessment Norms approved at Academic Board and located at: <https://www.richmond.ac.uk/university-policies/>

Teaching Methodology:

The course is lectured twice weekly or delivered as a block session. Student participation is essential and group discussions are a vital part of learning. Students are expected to undertake independent study and research to compose a written assignment the findings of which have to be presented in class.

Required Texts

Lipczynski, J.; Wilson, J. O. S.; Goddard, J. (2017) *Industrial Organisation. Competition, Strategy, Policy* (5th ed.), London: Prentice Hall.

Osborne, M.J. (2009) *Introduction to Game Theory*, Oxford: OUP

Varian H.R. (2014) *Intermediate Microeconomics. A Modern Approach* (9th edition), London: Norton.

Additional Literature:

Debreu, G. (1959) *Theory of Value*, New York: Wiley.

Dixit A., Skeath S. (2004) *Games of Strategy* (2nd edition), London: Norton.

Fudenberg D., Tirole J. (2000) *Game Theory*, Cambridge: MIT Press.

Hicks, J. (1946) *Value and Capital*, New York: OUP.

Mochrie, R. (2014) *Intermediate Microeconomics*, London: Palgrave Macmillan

Samuelson, P. (1947) *Foundations of Economic Analysis*, Cambridge, Mass: Harvard University Press.

Journals:

Arrow, K; Debreu, G. (1954) Existence of an Equilibrium for a Competitive Economy in: *Econometrica*, July 1954.

Cournot, A. (1897) *Recherches sur les Principes Mathematique de la Theorie des Riches*, translated by Nathaniel Bacon, New York: Macmillan (first published 1838).

In addition students are recommended to regularly read a quality daily newspaper (The Financial Times, The Times, The Guardian...) and "The Economist" magazine.

Web Sites

See syllabus for complete reading list

Change Log for this CSD:

Nature of Change	Date Approved & Approval Body (School or AB)	Change Actioned by Registry Services
Updated Reading List	October 2019	
Various updates as part of the UG programme review	AB JAN 2022	
Revision – annual update	May 2023	