

FIRST PART: INTRODUCTION

Topic 1. Economics: introduction

- 1.1 Scarcity and choice
- 1.2 Basic economic problems
- 1.3 Production possibility frontier

Reading material:

- Krugman, P. *Essentials of Economics*. Chapters 1 and 2

SECOND PART: MICROECONOMICS

Topic 2. Demand and supply theory

- 2.1 Determinants of demand
- 2.2 Determinants of supply
- 2.3 Shifts in demand or supply curves
- 2.4 Elasticities

Reading material:

- Krugman, P. *Essentials of Economics*. Chapters 3 and 5

Topic 3. The determination of market equilibrium

- 3.1 Market equilibrium
- 3.2 Predictions of price theory
- 3.3 Price controls: maximum price and minimum price
- 3.4 Taxes and subventions

Reading material:

- Krugman, P. *Essentials of Economics*. Chapters 3 and 4

Topic 4. Production and costs

- 4.1 Short run and long run production
- 4.2 Law of diminishing returns
- 4.3 Short run and long run costs of production
- 4.4 Economies of scale

Reading material:

- Krugman, P. *Essentials of Economics*. Chapter 7

Topic 5. Types of market structures

- 5.1 Perfect competition
- 5.2 Monopoly
- 5.3 Monopolistic competition
- 5.4 Oligopoly

Reading material:

- Krugman, P. *Essentials of Economics*. Chapters 8, 11 and 12

THIRD PART: MACROECONOMICS

Topic 6. Measuring aggregate production and income

- 6.1 Basic macroeconomic concepts and macro-magnitudes
- 6.2 Fluctuations and economic cycles
- 6.3 Growth and economic development

Reading material:

- Krugman, P. *Essentials of Economics*. Chapters 14 and 15

Topic 7. An aggregate supply - aggregate demand model

7.1 Aggregate demand: consumption, investment, public expenditure and net exports

7.2 Aggregate supply: determinants

7.3 The determination of equilibrium: income and price level

Reading material:

- Krugman, P. *Essentials of Economics*. Chapter 16

Topic 8. Financing the economy

8.1 Money: concept, kinds and functions

8.2 Financial system

8.3 Money creation process

Reading material:

- Krugman, P. *Essentials of Economics*. Chapter 18

Topic 9. Economic policy

9.1 Demand policies: fiscal policy and monetary policy

9.2 Supply policies

9.3 Economic policy dilemmas

Reading material:

- Krugman, P. *Essentials of Economics*. Chapters 17 and 18

Topic 10. Economic relationships between countries

10.1 International trade and the comparative advantage

10.2 The balance of payments

10.3 Different kinds of exchange rates

Reading material:

- Krugman, P. *Essentials of Economics*. Chapter 13

References

Krugman, P.; Wells, R.; Olney, M. (2007) *Essentials of Economics*. Worth Publishers.