



Universidad
de Alcalá

GUÍA DOCENTE

INTRODUCTION TO ECONOMICS

**Economics and International Business
Degree**

**Grado en Economía y Negocios
Internacionales**

Universidad de Alcalá

2020/2021

Name of the course:	Introducción a la Economía (Introduction to Economics)
Code:	360000
Studies:	Grado en Economía y Negocios Internacionales (ENI) Economics and International Business Degree
Department and Knowledge Area:	Economía / Economics Fundamentos del Análisis Económico / Economic Analysis
Type:	Básica /Basic
Créditos ECTS:	6
Course and Term:	First Year – First Term
Instructors:	Sonia Quiroga Aranzazu Narbona
Tutorials schedule:	The Schedule for tutorials will be determined by the instructor at the start of the course
Idioma / Lenguaje	Inglés /English

1. PRESENTATION

The subject of "Introduction to Economics" provides an overview of modern economic theory, which aims to empower students to understand the different options that economists and economic policy makers face when applying economic models to the world. real in an environment of uncertainty. The course is designed to familiarize students with the fundamental micro and macroeconomic concepts and basic tools of economic analysis, with the triple objective that students see from the outset the practical utility of the theoretical models explained in class, which are feel deeply motivated by the exposed content and learn to use it correctly. For this, it is essential to clearly explain the assumptions of the models, as well as their limitations and the positive use of them. The course lays the foundation so that students can subsequently access with full guarantees to study more advanced economic theory subjects and studies that require basic economic training.

The subject is structured in three parts, the content of which is presented in a concise way below:

Part I. Introduction. In this first part, an introduction to the "Introduction to Economics" is made, which will provide students with a first approach to the difficult art of economic reasoning and a basic framework, still necessarily rudimentary, so that they can take the first steps in the process. of learning that will finally lead them to "think like an economist". For the usual pedagogical reasons, the subject then develops, in the

second part, the microeconomic contents and on that basis, an introduction to macroeconomic analysis is made later.

Part II Microeconomics. The objective of this second part is to familiarize students with the decision-making process of economic agents in conditions of scarcity and with the problems associated with the operation of a decentralized economy. To achieve this objective, we begin by exploring the implications of the basic supply and demand model, as a previous step to the analysis of the models of company and consumer behavior.

Part III. Macroeconomics. In this third part, an introduction to macroeconomics is offered, which mainly seeks to familiarize students with the fundamental macroeconomic variables (production, prices, unemployment, consumption, savings, investment, interest rates, exchange rates, etc.) and that they be able to understand the basic interdependencies that exist between them, through the study of basic economic models that explain the determination of these variables. After making an introduction to the problems involved in measuring economic activity and measuring the cost of living, the study of the functioning of the economy in the long term, and about the determinants of economic growth, is addressed. Some aspects related to the functioning of an open economy and a monetary economy are considered too.

2. SKILLS

Generic skills:

1. Achieve a basic, but well-founded knowledge of the management of the usual concepts and techniques of modern economic analysis.
2. Provide the necessary instruments for the correct understanding of the behavior of economic phenomena, both of nature microeconomic as well as macroeconomic.
3. Train for the elaboration and exploitation of basic analytical models, both individually and in teams.
4. Acquire practical and personal experience in the management of new technologies to obtain relevant information for the understanding of economic phenomena.
5. Instruct in the search and selection of relevant information in each of the areas of study.

Specific competences:

1. Acquire a precise knowledge of the technical language used in economic analysis.
2. Become familiar with essential real world economic problems
3. Reflect, question, contrast and critically analyze economic problems
4. Adopt positions and defend points of view, argue and assess hypotheses and establish behaviors and behaviors
5. Ability to apply basic economic models and techniques to real-world problems and situations

3. CONTENTS

Content blocks	Classes and hours
<p>PART I. Introduction Topic 1. Thinking like an economist What is the economy. The ten principles of economics: how individuals make decisions, how people interact, and how the economy as a whole works. The role of economists. The models: two examples, the circular flow of income and the production possibilities frontier. Microeconomics and macroeconomics. Positive and normative economy.</p>	<p>3 sessions</p> <ul style="list-style-type: none"> • 1 topic • 3 classes on theory • 1 workshop
<p>PART II. Microeconomics Topic 2. Demand, supply and market equilibrium. Demand and supply: tables and demand and supply curves, the factors that affect demand and supply of goods, changes in these factors. Market equilibrium. Changes in market equilibrium. Maximum and minimum prices</p>	<p>13 sessions</p> <ul style="list-style-type: none"> • 3 topics • 6 classes on theory • 3 working lessons (applied) • 3 workshops <p>1 evaluation session</p>

Topic 3 Elasticity and its applications

The concept of elasticity. The price elasticity of demand. Income elasticity and cross price elasticity of demand. The price elasticity of supply. Applications: the relationship between income and elasticity.

Topic 4. Firms behavior

The production functions. Cost curves. Production and costs in the short and long term.
Characteristics of the different types of markets

PART III. Macroeconomics.

Topic 5. The measurement of economic activity and the price level

The income and spending of an economy. The Gross Domestic Product (GDP) and its components. Real and nominal GDP. How the cost of living is measured. Inflation: the CPI, the GDP deflator.

Topic 6. Production and growth

Productivity and its determinants. Economic growth and public policies

Topic 7. Unemployment

How unemployment is measured. Types of unemployment. The determinants of unemployment

Topic 8. Savings, Investment, and Financial System

The types of financial institutions in the economy and their role. The three types of savings. Differences between savings and investment. How the financial system coordinates savings and investment. How economic policies affect savings, investment and the interest rate

Topic 9: The monetary system: growth and inflation.

Definition of money, functions and types. The Central Bank: its role in the monetary system. The process of creating bank money. Control of the money supply by the Central Bank. How the money supply affects inflation and the nominal interest rate. How the money supply affects real variables such as real GDP or the real interest rate. Inflation as a tax. The costs of inflation

13 sessions

- 6 topics
- 6 classes on theory
- 3 working lessons (applied)
- 3 workshops

1 evaluation session

Topic 10. The macroeconomics of open economies: Macroeconomic analysis of open economies: basic concepts.

4. TEACHING-LEARNING METHODOLOGIES-TRAINING ACTIVITIES

4.1. Distribution of credits (specify in hours)

Number of hours (class): 48	<ul style="list-style-type: none"> • Number of hours of class: 48 - Big group (theory): 22,5 - Small groups (applied): 25,5
Number of hours of students work (autonomous learning): 102	<ul style="list-style-type: none"> • Autonomous study • exercises, exams, readings, etc • ECTS tutories
Total hours 150	

4.2. Methodological strategies, materials and teaching resources

<p>Face-to-face classes: they will be devoted to theoretical classes, exercises and critical analysis and discussion of theoretical and practical contents, in which the student acquires the basic knowledge of the subject. These classes will develop the skills of analysis, interpretation and resolution of exercises and problems</p>	<ul style="list-style-type: none"> • Clases on theory In the theoretical classes the teacher will offer a global vision of the subject, emphasizing the most relevant aspects. Through these classes students will be guided in the knowledge and use of the principles and instruments of economic theory • Working lessons (applied) The practical classes will be devoted to solving exercises and problems and to presentation and critical discussion of articles and papers on current issues, so that
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students can become familiar with real-world problems and see their relationship with the theoretical models analyzed throughout the course. The resolution of exercises and problems will reinforce the skills to work autonomously, which the student must also develop through personal preparation of the theoretical classes and the assessment tests.

The work that will be done in the practical classes will enhance teamwork and the critical and analytical capacity of the student, through interaction with other students.

The recommended manuals constitute a basic material that provides the necessary learning tools for the study of theoretical models, the analysis of exercises and problems, and the critical discussion of practical cases (in this regard, it should be noted that most of the manuals incorporate boxes of practical cases that facilitate the understanding of the concepts by means of real examples).

The specific material prepared by the teacher will also be made available to the student: worksheets, readings and complementary articles and Internet tools. In any case, the materials proposed by the teacher will always be in line (degree of difficulty) with those proposed in the recommended manuals.

In addition, students will be able to carry out their work with the support of the Blackboard virtual platform, which will facilitate access to new content, allow activities and evaluations to be carried out, and will foster interaction between students and teacher and between the students themselves

<p>Autonomous work: these hours will be dedicated to the individual work of the student, in which the study of theoretical topics, the completion of exercises and resolution of cases and the reading of articles of interest will be promoted. This effort will be dedicated to the development of transversal competences such as the search for information, interpretation of texts and problem solving.</p>	<p>The student must study the materials proposed in the theoretical classes and will carry out the tasks that arise in the practical classes: problem solving, readings, etc.</p>
<p>Individualized tutoring</p>	<p>The student will have at his disposal two types of tutoring: virtual tutoring through the platform (Blackboard) in which the students will be able to pose their doubts to the teacher; and personalized tutorials that the student will be able to request from the professor when he deems it appropriate, in which he will be particularly oriented about his work.</p>

5. EVALUATION: Procedures, evaluation and qualification criteria¹

Evaluation criteria

The following aspects will be evaluated:

Knowledge of basic concepts and understanding of main ideas. Use of knowledge in participation in the classroom and in the realization of exercises and works.

The student's ability to make reasoned criticisms of positions and facts (written or oral). Therefore, the argumentation capacity, the application of economic criteria in argumentation and creativity will be evaluated.

Expository clarity (oral or written) and spelling.

Evaluation instruments

Throughout the course, mechanisms will be put in place to assess the extent to which students achieve the subject-related competencies. For this, a control and monitoring of the student's work will be carried out throughout the course.

¹ *It is important to point out the evaluation procedures: for example continuous, final evaluation, self-evaluation, co-evaluation. Instruments and evidence: works, activities. Criteria or indicators to be assessed in relation to competencies: mastery of conceptual knowledge, application, knowledge transfer. For the rating system, it is necessary to remember the Regulations of the Governing Council of July 16, 2009: the rating of the continuous evaluation will represent, at least, 60%. You can raise this% in the guide.*

This evaluation process will be carried out in accordance with the provisions of the regulations governing learning evaluation processes (approved by the Governing Council, March 24, 2011).

The evaluation procedure is based on the continuous evaluation of the student, except in the cases contemplated in the regulations and in which the student will be able to benefit from the completion of a final evaluation in the ordinary call of the academic year: "the student will have to request it in writing to the dean or director of the center in the first two weeks of teaching the subject, explaining the reasons that prevent him from following the continuous evaluation system (...). The dean or center director must assess the circumstances alleged by the student and make a reasoned decision "(art. 10, Governing Council of March 24, 2011).

The continuous assessment system is based on the assessment of the development of competences (acquisition of theoretical and practical knowledge, abilities, skills, aptitudes, abilities, attitudes) throughout the learning process of the subject. For this, a control and monitoring of the student's work will be carried out throughout the course.

Students who follow the continuous evaluation system will be evaluated through:

- Partial tests that will be carried out throughout the course and that will cover the subject matter seen during the weeks prior to the completion of each one of them. These tests will refer to the theoretical knowledge and, where appropriate, its practical application acquired through the master classes, the practical classes and the individual work of the student. And they will evaluate the competences associated with the acquisition of fundamental knowledge.
- Participation and presentation of work and exercises carried out in the practical classes will be valued, as well as the tests carried out in the virtual classroom and which the student will solve remotely. With this, the competencies associated with the search for information, interpretation capacity, communication, group work and specific knowledge of the students will be evaluated.

Qualification criteria

The student's continuous assessment grade is deducted from the following weighting of the marks obtained throughout the course:

1. Partial tests: your joint grade will represent 70% of the grade.
2. The participation and presentation of works and exercises that are carried out in the practical classes and the realization of the tests in the Virtual Classroom, will represent 30% of the final grade.

The final grade will be obtained from the weighted sum of the grades of the partial tests and the mark of practices and tests of the virtual classroom. All students who have obtained an average between the partial evaluations of at least 5 (out of 10) and who achieve a final continuous evaluation grade equal to or greater than 5 will automatically pass the course.

Students who do not opt for the continuous assessment system and take the final exam of the ordinary call in January must demonstrate that they have acquired the skills established by the subject. To do so, they must pass, with at least a score of 5 out of 10, an exam on the content of the subject, which will cover both theoretical and practical aspects.

The extraordinary evaluation consists of a final exam with the same characteristics as that of the ordinary evaluation.

6. READING

Core Reading

MANKIW, N. Gregory: Principles of Economics (any edition), South Western, USA.

KRUGMAN, Paul, Robin WELLS y Martha L. OLNEY (2011): *Essentials of Economics*, Ed. Reverté, S.A., 2013, 2nd ed.

SAMUELSON, Paul A. y W. D. NORDHAUS (2004): *Economics*. McGraw-Hill, 18ª ed.

O'SULLIVAN, A. y S. M. SHEFFRIN (2003): *Economics: principles, applications, and tools*, Pearson -Prentice Hall, 3ª ed.

Further reading (especially indicated for the practical sessions)

HARFORD, Tim (2007): *The Undercover Economist*, Oxford University Press, Oxford, 2006.

LEVITT, Steven D. y Stephen J. DUBNER (2006): *Freakonomics*. Ediciones B.

Addendum Teaching Guide:

Following instructions from the Vice-Rector's Office for Undergraduate Studies and Students, a paragraph is added to this teaching guide that deals with a possible change in methodology in the teaching of this subject: "Universidad de Alcalá guarantees its students that, if due to health requirements the competent authorities prevent the total or partial presence of the teaching activity, the teaching plans would achieve their objectives through a methodology of teaching-learning and evaluation in online format, which would return to the face-to-face modality as soon as said impediments ceased".