UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Microeconomics - 2

2627-1-E1806M004-E1806M004-1-T2

Learning objectives

Course Learning Outcomes

1. Knowledge and Understanding

- **Comprehend** consumer choice theory and the determinants of individual and aggregate demand, including welfare analysis, intertemporal choice, and decision-making under uncertainty.
- **Understand** production theory, cost structures, and firm technology from both a descriptive and an analytical/formal perspective.
- **Distinguish** between different market structures (perfect competition, monopoly, monopolistic competition, and oligopoly) and their respective price and output equilibrium mechanisms.
- **Comprehend** the concepts of allocative efficiency, general economic equilibrium, game theory, and welfare economics.
- **Identify** the causes of market failures related to asymmetric information, externalities, and the nature of public goods.

2. Applying Knowledge and Understanding

- **Solve** analytical optimization problems regarding consumer utility maximization, cost minimization, and firm profit maximization.
- **Formalize and compute** the impact of price, income, tax, and subsidy variations on consumer welfare and social surplus.
- **Apply** elementary game theory to model and analyze strategic price and quantity decisions in oligopolistic and competitive market interactions.
- **Quantitatively evaluate** the consequences of market power and design appropriate incentive structures in the presence of moral hazard or adverse selection.

3. Making Judgements

- **Critically evaluate** the efficiency of various market structures and the trade-off between efficiency and equity.
- **Independently analyze** the sustainability of business strategies in competitive environments and the impact of public regulations on consumer and firm behavior.
- **Interpret** the causes of real-world market failures and the necessity for corrective policy interventions or corporate social responsibility.

4. Communication Skills

- **Present** microeconomic concepts, models, and results with logical-formal rigor and appropriate technical vocabulary.
- **Effectively use** graphical representations and mathematical formalization to illustrate relationships between economic variables (demand, supply, costs, elasticity, equilibria).
- **Articulate and argue** the implications of a firm's pricing and competitive positioning strategies clearly to both technical and managerial stakeholders.

5. Learning Skills

- **Develop** an analytical mindset essential for successfully tackling advanced courses in economics, finance, and marketing throughout the degree program.
- **Acquire** the ability to independently consult and understand market reports, academic literature, and economic policy documentation utilizing microeconomic modeling.

Contents

1. Consumers’ and firms’ rational behavior

2. Role of prices

3. Market structures

Detailed program

INTRODUCTION: The Market Economy
PART 1: Families

a. Consumer’s choice
b. Comparative Statics and Demand
c. Analytical Approach to Consumer’s Choice
d. Price variations and consumer’s welfare
e. the family as a supplier of inputs
f. Choice under uncertainty
PART 2: FIRMS
a. The firm and its objectives
b. Technology and production
c. Costs
d. Analytical approach to the firm’s problem
PARTE 3: THE COMPETITIVE MODEL
a. The price taking firm

b. Equilibrium in competitive markets
c. General equilibrium and welfare economics
PART 4: MARKET POWER
a. Monopoly
b. Monopolistic competition
c. Olygopoly and strategic behaviour
d. Game theory
PARTE 5: INCOMPLETE MARKETS
a. Asymmetric information
b. Esternality and Public Goods

Prerequisites

Calculus

Teaching methods

lectures (sometimes lectures may be ALSO streamed)
exam like exercises will be solved during the lectures (and the solutions uploaded in podf format on the elearning site)
at the end of each topic we will use clap to revise by answering in class to multiple choice questions very similar to those that will be found in the exam

Assessment methods

written exam (with the option of sitting two partial exams)

The exam lasts 90 minutes and it consists of two parta
PART1 18 multiple choice questions (correct answer 1 point, no answer 0 points, wrong answer minus 0,25 points)
PART2 2 exercises (7 points each) very similar to those solved in class

Textbooks and Reading Materials

Katz and Rosen, Microeconomia, McGraw Hill

M. Bonacina e P. De Micco MICROECONOMIA Esercizi, Egea

Semester

second semester

Teaching language

italian

Sustainable Development Goals

NO POVERTY | DECENT WORK AND ECONOMIC GROWTH | RESPONSIBLE CONSUMPTION AND PRODUCTION