



COLLEGE OF ACCOUNTANCY AND FINANCE

Study program “Accounting and Finance”

Study course description

Study course title	
<i>In Latvian</i>	Mikroekonomika
<i>In English</i>	Microeconomics
Program part	Compulsory general education study course
ECTS	4
<p>Course description: <i>The course provides basic knowledge of the theory and practice of microeconomics. During the course students will be able to find out the role and place of society and individual individuals in production and consumption. The course provides the necessary level of knowledge to enable students to judge societal development and the evolution of economic phenomena at the microeconomic level, to study demand and supply, aspects of consumer behavior, competition and the generation of production costs and revenues.</i></p>	
<p>An aim of the course: The aim of the course is to acquire the basics of microeconomic theory and to apply it in practice in evaluation of various alternatives and in making the best economic decisions.</p>	
<p>Learning Objectives:</p> <ul style="list-style-type: none"> • To get acquainted with the essence of economic theory and its basic principles. • Analyze economic system and competitive market situations. • To increase knowledge of consumer behavior in the economy. • To get acquainted with the essence of demand, supply and the basic principles of market price formation. • To get acquainted with the theory of production, formation of costs and profit. • Understand the concepts and basic principles of the market for inputs. 	
<p>Course Learning Outcomes:</p>	
<p>Knowledge:</p> <ul style="list-style-type: none"> • understanding of the nature and principles of microeconomics; • the opportunity to put knowledge into practice, at the appropriate level of the economy, in households and in business. 	
<p>Abilities:</p> <ul style="list-style-type: none"> • is able to orientate in the market situation, evaluate the main factors in it; • is able to analyze competitive markets and conditions, promoting the company's competitiveness; • is able to orientate in the specifics of demand and supply by assessing the position of a good / service; • is able to analyze the causes and consequences of changes in company costs and revenues; • understands the pricing mechanism and factors affecting price changes; • is able to deal with market situations. 	
<p>Competences:</p> <ul style="list-style-type: none"> • ability to analyze economic system and competitive market situations; • ability to analyze trends and specifics of supply and demand. • ability to evaluate the company's profit generation, business performance and forecast its development trends based on the company's cost data analysis; • ability to carry out research activities. 	
<p>Course Schedule:</p>	

1. INTRODUCTION TO ECONOMICS

What is Economics?
Micro-and Macro-levels
Basic problem of Economics
Production resources. Limited resources
Alternatives. Production curve
Economic systems

2. MARKET SYSTEM

Market. Market subjects. Economic flow
Demand
Law of Demand and Function of Demand
Supply
Production Resources Market

3. MARKET EQUILIBRIUM

Market equilibrium price
Deviation of market prices and volumes from equilibrium, its consequences

4. ELASTICITY OF DEMAND AND SUPPLY

Classification of Elasticities
Elasticity of Demand
Elasticity of Supply
Practical meaning of Elasticity

5. CONSUMER BEHAVIOR IN THE MARKET

Understanding validity
Overall and frontier validity
Consumer balance
Equal validity – indifference curve
Budget line
Optimal consumer choice

6. PRODUCTION

Production function
Production function with one variable factor of production
Production function with two variable factors of production
Manufacturer's development trajectory

7. PRODUCTION COST THEORY

Total and marginal costs
Total revenue

8. PRICING AND MAXIMIZING PROFITS

Market types
Full competition
Monopoly and its types
Monopolistic competition
The oligopoly market model
Full competition
Monopoly and its types
Monopolistic competition
The oligopoly market model

The structure of cumulative assessment of students' academic achievement:

Final evaluation of the study course according to ten point system consists of: assessment of independent work, situation analysis and knowledge test.

Form of Control:	Students must complete two independently performed tasks and pass the exam	
Assessment criteria	Proportion, %	Time limit
<ul style="list-style-type: none"> • Participation/attendance in workshops 	20 %	<i>During semester, academic year, according to the timetable of studies</i>
<ul style="list-style-type: none"> • Final reports and analitic paper 	35%	<i>During semester, academic year, according to the timetable of studies</i>
<ul style="list-style-type: none"> • Final exam 	45%	<i>According to the timetable of studies</i>
Language of instruction: Latvian.		
Methods used in study course acquisition: <i>lectures, practical assignments, seminars, independent work, exam.</i>		