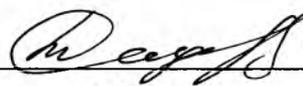


Educational Establishment «Belarus State Economic University»

APPROVED

First Vice-Rector of Educational
Establishment «Belarus State
Economic University»


T.V. Sadovskaya
21.11. 2023 г.

Registration No. УД 5637-23 /уч.

MICROECONOMICS

The curriculum of the establishment of higher education
in the academic discipline for the specialty
6-05-0311-03 «World economy»

The curriculum of the establishment of higher education is based on the sample educational plan for the specialty 6-05-0311-03 «World economy», registration number 6-05-03-006/пр. dated 2012.2022

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RECOMMENDED FOR APPROVAL:

Department of economic policy of the Educational Establishment «Belarus State Economic University»
(Minutes № 1 dated 31.08.2023);

Scientific - methodical Council of the Educational Establishment «Belarus State Economic University»
(Minutes № 2 dated 02. 11. .2023)

EXPLANATORY NOTE

The syllabus on the academic discipline "Microeconomics" has been developed in accordance with the requirements of educational standards of higher education. It is aimed at teaching students in English for the specialty 6-05-0311-03 World economy.

The purpose of the discipline "Microeconomics" is the development of students' economic thinking, the formation of their fundamental knowledge of the mechanisms of functioning of markets, the ability to creatively apply theoretical knowledge in the process of making managerial decisions.

Objectives of the discipline:

- to form students' understanding of the principles of functioning of the main market structures that determine the behavior of the subjects of the market economy;
- to form the ability to make decisions in the conditions of economic choice;
- to instill the skills of analyzing specific economic situations that have developed in the commodity and resource markets;
- to form an idea of the forms, methods, and economic boundaries of state intervention in the economy at the level of individual enterprises, markets, and industries;
- develop the ability to use creatively theoretical knowledge to solve practical problems;
- to form the social qualities necessary for conscious participation in the socio-political life of the country, to possess the qualities of citizenship and patriotism, to analyze the socio-political situation in the country and the world, to determine the socio-political significance of historical events.

As a result of studying the discipline, the student must

know:

- basic concepts and principles of the course "Microeconomics";
- fundamentals of consumer and producer behavior in a market economy;
- pricing mechanisms in commodity and resource markets;
- conditions of general equilibrium and economic efficiency;
- directions, methods and economic boundaries of the state microeconomic policy;

be able to:

- analyze microeconomic processes taking place in the Republic of Belarus and abroad;
- use theoretical knowledge to make optimal decisions in conditions of economic choice;
- argumentatively defend his point of view in discussions on topical issues of microeconomics;
- solve problems and tests that consolidate the educational material;

master:

- the basic concepts of the course "Microeconomics";
- the basics of pricing policy in commodity and resource markets;

- categories of state microeconomic policy.

Among the effective pedagogical methods and technologies of teaching the discipline, contributing to the involvement of students in the search and management of knowledge, the acquisition of experience in solving various tasks independently, it is necessary to highlight:

- technologies of problem-based modular learning;
- technologies of educational and research activities;
- communication technologies (discussion, press conference, brainstorming, educational debates and other active forms and methods);
- game technologies in which students participate in business, role-playing, simulation games, etc.

To manage the educational process and organize control and evaluation activities, teachers are recommended to use rating, credit-modular systems for evaluating students' educational and research activities.

The study of the discipline "Microeconomics" will contribute to the formation of the following basic professional competence:

- to understand the behavior of consumers and organizations in a market economy, pricing mechanisms in commodity and resource markets, conditions of general economic equilibrium, directions, tools and boundaries of state microeconomic policy, apply theoretical knowledge to make optimal decisions in conditions of economic choice.

The place of the discipline in the system of training specialists with higher education. The academic discipline "Microeconomics" uses the concepts and principles that are laid down in the course of "Economic Theory". In turn, knowledge of microeconomics is necessary to study "Macroeconomics". Microeconomics is the theoretical basis for studying the academic discipline "Economics and management of an organization (enterprise)". Microeconomics is related to higher mathematics because it uses such methods of cognition as functional analysis, graphical method, economic models.

In accordance with the educational standard of higher education in the specialties of the field of education 6-05-0311-03 "World economy", the syllabus is designed for 116 hours, of which 68 hours of classroom work. Distribution by type of classes: lectures – 34 hours; seminars – 34 hours. The form of current assessment for the academic discipline is an examination in 2nd semester.

CONTENT OF EDUCATIONAL MATERIAL

Theme 1. The subject of microeconomics

The subject of microeconomics. Decision-making by market participants in conditions of economic choice. Application of microeconomic theory.

Methods and principles of microeconomic analysis. Marginal and functional analysis. An equilibrium approach to the study of economic phenomena and processes. Modeling of economic processes.

Theme 2. Theory of consumer behaviour

The ordinalist approach to the consumer's assessment of the overall utility of the consumed goods. Axioms of the ordinalist approach. Utility function and consumer indifference curves. Properties of indifference curves. The marginal rate of substitution. A map of indifference curves.

Budget constraint. The budget line of the consumer, its properties.

Graphical interpretation of the consumer's equilibrium.

Changes in consumer income and the budget line shifts. The «income – consumption» curve. The individual demand curve shifts. Engel's curves.

Product price changes and budget line shifts. The "price–consumption" curve. Building an individual demand curve. The income effect and substitution effect. The cumulative effect of the price.

Topic 3. Market behavior of a competitive firm

Types of competition and the main market structures in the modern economy.

Perfect competition and its main features. The demand for the product and the marginal income of the perfect competitor.

Two approaches to determining the optimal volume of a firm's output: the principle of comparing total income with total costs, the principle of comparing marginal income with marginal costs. The equilibrium of the firm-perfect competitor in the short term (profit maximization, loss minimization).

Marginal costs and the firm's supply curve in the short term. Industry offer in the short term.

The equilibrium of the firm-perfect competitor in the long term. A long-term offer in a competitive industry. The supply of the industry with constant, increasing and decreasing costs in the long term.

Perfect competition and efficiency.

Topic 4. Pure monopoly

Pure monopoly and its main features. Factors of monopolization. Types of monopoly.

The demand for the product and the marginal income of the monopolist. The equilibrium of the firm in a pure monopoly in the short term (profit maximization, loss minimization).

The equilibrium of pure monopoly in the long term.

Price discrimination: conditions, forms, consequences.

Pure monopoly and efficiency.

Topic 5. Monopolistic competition

Monopolistic competition and its main features.

The equilibrium of a monopolistic competitor firm in the short term (profit maximization, loss minimization).

The equilibrium of a monopolistic competitor firm in the long term. Break-even firms.

Monopolistic competition and efficiency. Excess capacity.

Non-price competition. Product differentiation and improvement. Advertisement. Non-price competition costs

Topic 6. Oligopoly

Oligopoly and its main features. Strategic interaction of firms in oligopoly.

Typology of oligopoly models. Models based on a cooperative strategy. Models based on a non-cooperative strategy.

The problem of price stability in oligopoly. A model of a broken demand curve.

Oligopoly and efficiency.

Market power, its sources and indicators.

Antimonopoly policy of the state: foreign experience, peculiarities in the Republic of Belarus.

Topic 7. Markets of production resources. Labor market

Resource markets. Demand for the resource. Marginal profitability and marginal costs of the resource. The firm's demand curve for the resource. Market demand for the resource. Elasticity of the resource demand. Non-price factors of demand for the resource. Resource supply. The equilibrium condition of a profit-maximizing firm in the resource market.

The labor market. Demand for labor. Individual and market labour supply. Competitive labour market equilibrium.

The labor market in imperfect competition. The monopsony model. Models with trade unions. A bilateral monopoly.

Wages. Nominal and real wages. Forms and systems of wages. Wage differentiation and its causes. Minimum wage.

Features of the functioning of the labour market in the Republic of Belarus.

Topic 8. Capital market

The capital market and its structure. Capital demand of an individual firm. Investments. The marginal rate of return on investments and the demand for investment. The impact of the loan interest rate on the demand for investments. Market demand for capital.

Short-term and long-term investments. The co-measurement of current costs and future income. The present (current) value. Factors affecting the present value. The

criterion of net present value and decision-making on long-term investments.

Capital supply. Capital supply sources. Household savings as the main source of the capital supply. Intertemporal choice and time preferences. The effect of the loan interest rate on savings supply. The market supply of capital.

Equilibrium in the capital market.

The securities market. Prices and income in the securities market.

Features of the functioning of the capital market in the Republic of Belarus.

Entrepreneurial ability as a factor of production. Economic profit: sources and functions.

Topic 9. Land market

Land as a factor of production and its features. The limitations of land. Land as a renewable natural resource: natural and economic soil fertility.

The land market. Demand for land. Supply of land. Equilibrium in the land market in perfect competition. Economic rent as a land price. Rent and rent payment.

The heterogeneity of land plots and differential rent. The land price.

The land market in the Republic of Belarus.

Topic 10. General equilibrium and social welfare

Partial and general equilibrium. Interrelations in changes in the markets of products and resources.

Exchange efficiency. Pareto exchange optimality criterion. The curve of consumer opportunities. Exchange efficiency and fairness.

Production efficiency. The criterion of optimality of Pareto production. The curve of production capabilities.

Efficiency of the output structure. Criterion of optimality of the Pareto output structure.

General economic equilibrium and social welfare.

Criteria for assessing public welfare.

Topic 11. External effects

External effects. Private, external and public costs and benefits. Positive and negative externalities, and the problem of efficient allocation of resources in a market economy.

Internalization of externalities: the role of property rights specification and transaction costs. Coase's theorem.

Regulation of externalities: corrective taxes and subsidies.

The use of the external effects theory in economic practice. Environmental regulation policy: administrative and economic methods. The market for environmental pollution rights.

Topic 12. Information, uncertainty and risk in the economy

Information and its role in the economy. Reasons for incomplete information. Uncertainty. Risk: the attitude of subjects to risk, ways to reduce risk.

Information asymmetry. Types of asymmetric information. Asymmetric information markets. Negative selection. The role of market signals in overcoming information asymmetry.

Moral risk and the insurance market. The "principal-agent" problem. The state activity to regulate the information asymmetry.

Topic 13. Public goods

Pure private and pure public goods. Properties of public goods. Mixed benefits. Features of demand for public goods. Individual and public demand for public goods.

The public goods supply. The efficient output of public goods. Private supply of public goods. The state role in ensuring the supply of public goods.

Topic 14. Theory of public choice

Public choice analysis methodology. The "economic man" concept. Methodological individualism. Politics as an exchange.

The interaction model between politicians and voters. Public choice in direct democracy. The median voter model. Public choice in a representative democracy. The voting paradox.

The model of competition between pressure groups for political influence. Lobbying. Logrolling.

The model of bureaucracy. The search for political rent.

The problem of the effectiveness of state intervention in the economy.

Distinctive features of the Belarusian economic model. The idea of a social state and its implementation in the legislation and practical policy of the Republic of Belarus. The All-Belarusian People's Assembly as one of the main political, ideological and democratic institutions in the Republic of Belarus.

ACADEMIC MAP OF THE DISCIPLINE
for full-time form education

Number of topic	Topic and questions	Number of auditory hours					Forms of knowledge control Practical studies
		Lectons	Practical studies	Seminars	Laboratorial studies	other	
1	2	3	4	5	6	7	8
1.	The subject of microeconomics	2		2		[4,5,6,11,17,18,19,20,23]	Survey
2.	Theory of consumer behaviour	2		2		[4,5,6,10,11,15,21,22] slides	Test
3.	Market behavior of a competitive firm	4		4		[4,5,6,10,11,18,20,21] slides	Survey, reports
4.	Pure monopoly	2		2		[4,5,6,10,11,15,20] slides	Survey, reports
5.	Monopolistic competition	2		1		[4,5,6,10,11,16,20,21] slides	Survey, reports
6.	Oligopoly	4		3		[1,2,3,4,5,6,11,12,22,23] slides	Test
7.	Markets of production resources. Labor market	2		4		[1,2,3,4,5,6,11,12,20,22] slides	Survey, reports
8.	Capital market.	2		4		[1,3,4,5,6,9,11,13,21,22] slides	Survey, reports
9.	Land market	2		2		[1,2,3,4,5,6,11,13,20,23] slides	Test
10.	General equilibrium and social welfare	4		4		[4,5,6,7,11,17,19,20] slides	Survey, reports
11.	External effects	2		2		[1,2,3,4,5,6,11,13,20,21] slides	Survey, reports
12.	Information, uncertainty and risk in the economy	2		1		[4,5,6,11,14,17,22,23] slides	Survey, reports
13.	Public goods	2		1		[4,5,6,11,14,17,20,23] slides	Survey, reports
14.	Theory of public choice	2		2		[4,5,6,11,14,17,21,22] slides	Survey, reports
	Итого	34		34			Exam

INFORMATION AND METODIC PART

Methodical recommendations on organization of independent work of students on training discipline «Microeconomics»

In mastering the knowledge of the discipline, an important stage is the independent work of students.

The main directions of the student's independent work are:

- initially, a detailed introduction to the syllabus of the discipline;
- familiarization with the list of recommended literature on the academic discipline as a whole and its sections, its availability in the library and other available sources, study of the necessary literature on the topic, selection of additional literature;
- study and expansion of the lecturer's lecture material through special literature, consultations;
- preparation for seminars according to specially developed plans with the study of basic and additional literature;
- preparation for the implementation of diagnostic forms of control (tests, etc.);
- preparation for the exam.

The list of recommended tools for diagnosing the effectiveness of students' work: standard tasks, open-type tasks, tasks of a communicative type, tests, complex qualification tasks, methodological developments on innovative forms of training and control over the formation of competencies, topics and principles of essay writing, forms of questionnaires for self-assessment of students' competencies.

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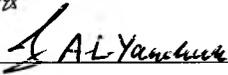
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COORDINATION PROTOCOL OF THE CURRICULUM OF HIGHER EDUCATION INSTITUTION

The discipline which requires coordination	Department	Offers on changes in the curriculum contents of academic discipline of higher education institution	The decision made by the department which developed the curriculum (with the indication of date and number of the protocol)
<i>International entrepreneurship</i>	<i>World economy</i>	<i>No offers</i> 	protocol № <u>1</u> from <u>30.08.2023</u>

**ADDITIONS AND CHANGES TO THE CURRICULUM OF HIGHER
EDUCATION INSTITUTION**
for ____/____ academic year

№	Additions and changes	Reason

The curriculum is revised and approved at the meeting of the Department

_____ (protocol № ____ dated _____ 20__)
(department name)

Head of the Department

(academic degree/title) (signature) (full name)

APPROVED BY
Dean of the Faculty

(academic degree/title) (signature) (full name)