



Faculty of Arts and Social Science
Economics

Syllabus

Microeconomics and international trade

Course Code:	NEGA10
Course Title:	Microeconomics and international trade <i>Mikroekonomi och internationell handel</i>
Credits:	15
Degree Level:	Undergraduate level
Progressive Specialisation:	First cycle, has only upper-secondary level entry requirements (G1N)

Major Field of Study:
NAA (Economics)

Course Approval

The syllabus was approved by the Faculty of Arts and Social Science 2016-02-29, and is valid from the Autumn semester 2016 at Karlstad University.

Prerequisites

General admission requirements and either

- field-specific eligibility A4 (Mathematics 3b or 3c, Civics 1b or 1a1+1a2) or
- field-specific eligibility 4 (English B, Mathematics C, Civics A) with the exception of English B

Learning Outcomes

Upon completion of the course, students should be able to:

- explain the role of prices in a market economy,
- define and use the concepts of price and income elasticity,
- explain why resources in a perfectly functioning market economy are distributed effectively,
- explain why external effects and collective goods influence the market economy and resource allocation,
- explain the connection between the costs and supply of goods and services in a business,
- give an account of the following market forms: perfect competition, monopolistic competition, oligopoly, and monopoly,
- explain the basics of wage formation in a job market exposed to competition, and
- explain why division of labour/specialisation and commerce can benefit all who take part in this process,
- give an account of the basic principles of game theory,
- explain the advantages of international trade,
- explain the political reasons for introducing trade restrictions,
- give an account of the effects of trade restrictions on prices and wages, and
- give an account of the reasons for direct foreign investments.

Content

This course is based upon the fundamental principles of economics: balancing costs and benefits, the

concept of alternative costs, and the principle of diminishing returns. How consumer behaviour affects the demand for goods and services is studied in the light of the aforementioned principles. How the producer's production and cost structure influences the supply of goods and services is also covered. This module discusses how the public sector can influence a market through taxes and regulations as well as how taxes and regulations can be used as a means of increasing welfare in terms of information problems, environmental problems, and in cases of limited competition such as monopoly and oligopoly. In addition, international trade and investments are treated and problematised. The effects of trade restrictions such as duties and import quota are analysed. The reasons for businesses to move abroad instead of exporting from Sweden, for example, are also discussed.

Reading List

See separate document.

Examination

Assessment is based on written exams.

Grades

One of the grades Distinction (VG), Pass(G), or Fail (U) is awarded in the examination of the course.

Quality Assurance

Follow-up relating to learning conditions and goal-fulfilment takes place both during and upon completion of the course in order to ensure continuous improvement. Course evaluation is partly based on student views and experiences obtained in accordance with current regulations and partly on other data and documentation. Students will be informed of the result of the evaluation and of any measures to be taken.

Course Certificate

A course certificate will be provided upon request.

Additional information

The local regulations for studies at the Bachelor and Master levels at Karlstad University stipulate the obligations and rights of students and staff.