

**Educational Establishment
«The Grodno State Agrarian University»**

APPROVED BY

Rector of Educational
Establishment
«The Grodno State Agrarian
University»

____ V.K.Pestis

«17» 06.2020 г.

Registration № 114-20/уч.

MICROECONOMICS

1-26-02-02 "Management"

1-25-01-04 "Finance and credit"

1-25-01-08 "Accounting, Analysis and Audit"

Education standard of higher education ОСВО 1-26-02-02-2013
“Microeconomics” of study of a direction of formation: 1-26-02-02
“Management”. Approved and enforced by a decree of the Ministry of Education
of the Republic of Belarus 27/12/2013, registration № 141.

Микроэкономика. Типовая учебная программа по учебной дисциплине
для направления образования 25 Экономика; для специальностей: 1-260203
Маркетинг; 1-260205 Логистика. Утв. В.А. Богуш 13 мая 2016 г.
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Prepared by:

Candidate of Historical Sciences, Associate Professor Hanchar A.I.

Reviewers:

Platonenko E.I. – the head of the department of finance and accounting
“Yanka Kupala State University of Grodno”, candidate of economic sciences,
associate professor.

Kozlov A.A. – the head of the department economic APC of “Grodno State
Agrarian University”, candidate of agricultural sciences, associate professor.

Examined and approved for the publishing in the meeting of the department
of economic theory, the report № 7 from 21.05.2020.

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report № 6.

EXPLANATORY NOTE

In the context of the formation of a socially-oriented market economy in the Republic of Belarus, one of the priority tasks is to improve the efficiency of economic entities. Microeconomics as a science is precisely the direction of research into the economic life of society, the task of which is to identify patterns of economic behavior of market participants – consumers and producers, their choice of optimal solutions in conditions of limited resources. Therefore, the study of the discipline "Microeconomics" will contribute to the creation of a highly efficient agrar economy.

The purpose of teaching the discipline:

development of students' economic thinking, formation of their fundamental knowledge about the laws of microeconomic processes and the ability to apply theoretical knowledge in the process of making managerial decisions.

Tasks of studying the discipline:

- development of skills for analyzing specific microeconomic phenomena;
- formation of an understanding of the mechanisms of functioning of economic entities, markets for goods and production resources;
- mastering the tools of microeconomic regulation.

As a result of studying the discipline, the student must:

know:

- fundamentals of consumer and firm behavior in a market economy;
- mechanism of market pricing in commodity and factor markets;
- goals and instruments of state microeconomic policy;

be able to:

- analyze the behavior of economic entities;
- solve problems and tests in microeconomics;
- to argue your own position during the discussion of microeconomic problems;
- creatively use knowledge to make rational economic decisions;

own:

- basic theoretical knowledge and apply it to solve practical problems;
- an interdisciplinary approach to solving microeconomic problems;
- methods of assessing the competitiveness and economic efficiency of the developed technologies.

The study of the discipline "Microeconomics" will contribute to the formation of the following academic competencies:

AK-1. Be able to apply basic scientific and theoretical knowledge to solve theoretical and practical problems;

AK-3. Possess research skills;

professional competencies:

the specialist must be able to:

PC-2. Develop options for management decisions based on the analysis and justify their choice based on the criteria of socio-economic efficiency;

PC-8. Develop long-term, medium-term and current plans for the economic and social development of the organization (enterprise) and its structural divisions;

PC-16. Determine the competitiveness of goods, services, works and the organization (enterprise) as a whole.

Interdisciplinary connections. The academic discipline "Microeconomics" refers to a cycle of special disciplines, uses the concepts and principles that are laid down in the course "Economic theory".

Knowledge of the discipline "Microeconomics" is necessary for further study of the discipline "macroeconomics", since it is impossible to understand macroeconomic processes without knowing how economic entities will behave in a specific market situation at the micro level.

"Microeconomics" is the theoretical basis for studying the academic disciplines "Economics of organizations (enterprises) of the agro-industrial complex" and "organization of production".

"Microeconomics" is related to the academic discipline "Higher mathematics", since such methods of cognition as limit and functional analysis, graphical method, and economic models are used.

The study of the discipline is allocated: a total of 160 hours, including classroom - 46 hours, including lectures - 28 hours, seminars - 18 hours. The form of knowledge control is an exam.

CONTENT OF THE TRAINING MATERIAL

Topic 1. Introduction to Microeconomics

Subject of microeconomics. Decision-making by market participants in conditions of economic choice. The concept of economic rationalism. Application and boundaries of microeconomic theory.

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

Topic 2. Theory of consumer behavior

The problem of consumer evaluation of the overall utility of goods consumed: cardinalism (quantitative approach) and ordinalism (ordinal approach).

Axioms of the ordinalist approach. The utility function and indifference curves the consumer. Properties of indifference curves. The marginal rate of substitution.

Budget constraint. The consumer's budget line and its properties.

Graphical interpretation of the consumer's balance.

Changes in the product price and shifts in the budget line. Price-consumption curve. Building an individual demand curve. The price-consumption curve and demand curves for various types of goods.

Changes in consumer income and shifts in the budget line. The "up-stroke-consumption" curve. Shifts in the individual demand curve. Income-consumption curves for various types of goods. Engel Curves.

The income effect and the substitution effect. The combined effect of prices. The effect of the income effect and the substitution effect on the amount of demand for various types of goods when the price changes.

Topic 3. Market behavior of competitive firms

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

Perfect competition and its main features. Demand for the product and marginal revenue of the perfect competitor. Balance of the firm-perfect competitor in the short term (profit maximization, loss minimization). Two approaches to analysis: the principle of comparing total income with total costs, and the principle of comparing marginal income with marginal costs. Marginal costs and the firm's supply curve in the short term. Industry offer in the short term.

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

Perfect competition and efficiency.

Topic 4. Net monopoly

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

Demand for the product and the marginal income of the monopolist.
Equilibrium of the firm-a pure monopoly in the short run (profit maximization, minimization of losses).

Balance of net monopoly in the long term.

Price discrimination: conditions, forms, consequences.

Pure monopoly and efficiency.

Economic consequences of monopoly. Regulation of natural monopoly.

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Topic 5. Monopolistic competition

Monopolistic competition and its main features.

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

Equilibrium of a firm-a monopolistic competitor in the long-term period.
The profitability of the firms.

Monopolistic competition and efficiency. Excess production capacity.

Non-price competition. Product differentiation and improvement.
Advertising. Costs of non-price competition.

Topic 6. Oligopoly

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

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

The problem of price stability in an oligopoly. Polyline demand curve model.

The use of game theory in modeling the strategic interaction of firms in an oligopoly.

Oligopoly and efficiency.

Market power and its sources. Monopolism. Indicators of monopoly power.
The problem of monopolism in the Republic of Belarus.

Antimonopoly policy of the state: foreign experience and its features in the Republic of Belarus.

Theme 7. Markets of production resources. Labour market

Resource markets. Demand for the resource. Marginal yield and marginal cost of the resource. The firm's demand curve for a resource. Elasticity of demand for a resource. Non-price factors of resource demand. Resource offer. Perfect and imperfect competition in the resource market. A condition of equilibrium of a profit-maximizing firm in the resource market.

Labour market. Functioning of the competitive labor market. Demand for labour. Individual and market labor supply. Balance of the competitive labor market.

The labor market in conditions of imperfect competition. The monopsony model. A model with unions in mind. 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 labor market in the Republic of Belarus.

Topic 8. Capital market

Capital market and its structure. Demand for capital and investment. The optimal amount of investment. The marginal rate of return on investment and the demand for investment. The impact of the loan interest rate on the demand for capital. Marginal net return on investment. Term investment. Comparing current costs and future revenues. Given (current) value. Factors that affect the present value. Net present value criteria and decision-making on long-term investments. Market demand for capital.

Supply of capital. The sources of supply. Household savings as the main source of capital supply. Intertemporal choice and time preferences. The maximum rate of time preference. Intertemporal budget constraint and equilibrium. The impact of the loan interest rate on the supply of savings. Effects of income and substitution. Loan interest rate and capital supply. Market supply of capital. Balance in the capital market.

The market for capital goods. Demand and supply of capital services. Balance in the capital services market in the short and long term.

The infrastructure of the capital market. Securities market. Prices and earnings on 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. The limitations of the earth. Land as a renewable natural resource: natural and economic soil fertility.

Economic rent. Land rent as the price for the use of land. Determining the amount of rent in a competitive environment. Rents and rents. Price of land.

Heterogeneity of land plots and differential rent by fertility and location.

Formation of the land market in the Republic of Belarus.

Topic 10. General equilibrium and public health welfare

Partial and General equilibrium. Relationships in changes in product and resource markets.

The efficiency of the exchange. Exchange on the Edgeworth diagram. The optimality criterion of Pareto exchange. Contract curve. The curve of affordability. Competitive balance of consumers. Exchange efficiency and fairness.

Production efficiency. Production on the Edgeworth diagram. The criterion of optimality in production Pareto. Production contract curve. Competitive balance of producers. Production capability curve.

Efficiency of the output structure. Optimality criterion for the Pareto output structure.

General economic balance and social welfare. Criteria for evaluating public welfare. Market fiasco and the need for microeconomic regulation.

Topic 11. External effects

Externality. Private and public costs and benefits. Positive and negative externalities and the problem of efficient resource allocation in a market economy.

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

Regulation of externalities: corrective taxes and subsidies.

Using the theory of external effects in economic practice. Administrative and economic methods of environmental regulation. The market for rights to environmental pollution. Kyoto protocol.

State regulation of external effects in the Republic of Belarus.

Topic 12. Information, uncertainty and risk in the economy

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

The asymmetry of information. Markets with asymmetric information. Negative selection. The role of market signals in overcoming information asymmetry.

Moral hazard and the insurance market. The "principal-agent" problem.

The activities of the state in the regulation of asymmetry of information.

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.

Production of public goods. The effective volume of production of public goods. The supply of public goods through the cooperation of commodity producers (private supply of public goods) and the problem of "stowaways". The role of the state in ensuring the supply of public goods. The concept of public choice.

Topic 14. Theory of public choice

Methodology for the analysis of public choice. The concept of "economic man". Methodological individualism. Politics as an exchange.

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

A model of pressure groups competing for political influence. LBB-BISM. Logrolling. Model of bureaucracy. The theory of rent seeking. Political and economic cycle.

Problems of effectiveness of state intervention in the economy.

MAP OF THE COURSE

Number of section, theme, lessons	The name of section, employment theme; the list of studied questions	Hours in total	The quantity of classroom hours				Quantity of the hours allocated on CIW of students (including the hours allocated for a term paper)	Material provision of employment (evident, methodical benefits, etc.)	Literature	The form of the control of knowledge
			lectures	Practical (seminar) lessons	Laboratory lessons	Controllable independent work of the student				
	MODULE I.	51	12	10		6/4	19			
1	Introduction to Microeconomics	8	2	2		-	4	Computer presentation, methodical instructions of department (comprehensive plans of seminar employment).	1-8	Interview, testing
2.	Theory of consumer behavior	10	2	2		2/-	4	Computer presentation, methodical instructions of department.	1–8	Interview, testing
3.	Market behavior of competitive firms	8	2	2		2/-	3	Computer presentation, methodical instructions of department.	1-8	Interview, testing, abstracts, examination on the block
4.	Net monopoly	8	2	2		2/–	2	Computer presentation,	1-8	Interview, testing,

								methodical instructions of department.		abstracts, examination on the block. Assessment work.
5	Monopolistic competition	9	2	2		-/2	3	Computer presentation, methodical instructions of department.	1-8	Interview, testing
6.	Oligopoly	7	2	–		-/2	3	Computer presentation, methodical instructions of department	1-8	Interview, testing, abstracts, examination on the block
	MODULE II.	65	16	8		-/12	28			
7.	Markets of production resources. Labour market	8	2	2		-/2	2	Computer presentation, methodical instructions of department	1-8	Interview, testing, abstracts, examination on the block. Assessment work
8	Capital market	9	2	2		-/2	3	Computer presentation, methodical instructions of department	4 -9	Interview, testing, abstracts, examination on the block
9.	Land market	7	2	–		-/2	3	Computer presentation, methodical instructions of department	1 - 9	Interview, testing, abstracts, examination on the block
10	General equilibrium and public health welfare	5	2	–		-/2	1	Computer presentation, methodical instructions of department.	4–9	Interview, testing, abstracts, examination on the block

11	External effects	8	2	–		-/2	4	Computer presentation, methodical instructions of department	3 – 4, 7-9	Interview, testing, abstracts, examination on the block
12.	Information, uncertainty and risk in the economy	8	2	2	-	-	4	Computer presentation, methodical instructions of department	4 - 9	Interview, testing, abstracts, examination on the block
13.	Public goods	8	2	2	-	-	4	Computer presentation, methodical instructions of department	4 - 9	Interview, testing, abstracts, examination on the block. Assessment work
14.	Theory of public choice	12	2	–	–	-/2	8			
	Preparation for examination	36					36			
	Total	160	28	18	–	6/16	92			

INFORMATION AND METHODOLOGICAL PART

Legislation and regulations:

1. Конституция Республики Беларусь 1994 года (с изменениями и дополнениями, принятыми на республиканских референдумах 24 ноября 1996 года и 17 октября 2004 года). – 3-е изд., стер. – Минск: Национальный центр правовой информации Республики Беларусь, 2008. – 64 с.

2. Гражданский кодекс Республики Беларусь: [принят Палатой представителей 28 октября 1998 г. Одобрен Советом Республики 19 ноября 1998 г.]: с изменениями и дополнениями по сост. на 4 мая 2019 г. – 6-е изд., с изм. и доп. – Минск: Национальный центр правовой информации Республики Беларусь, 2008. – 653 с.

3. Национальная стратегия устойчивого социально-экономического развития Республики Беларусь на период до 2030 г. / Одобрено протокол заседания Президиума Совета Министров Республики Беларусь от 2 мая 2017 г. № 10. – Минск: 2017. – 148 с.

LITERATURE

Main:

4. Микроэкономика: основы микроанализа и белорусская практика: учебное пособие для студентов учреждений высшего образования 1-й ступени получения высшего образования / И. М. Лемешевский. - 6-е изд., переработанное. - Минск : Мисанта, 2017. - 399 с.

5. Микроэкономика: учебник для студентов учреждений высшего образования по экономическим специальностям / [А. В. Бондарь и др.]. - Минск : Белорусский государственный экономический университет, 2015. - 428, [1] с.

6. Микроэкономика: учебное пособие для студентов высших учебных заведений, обучающихся по направлению 38.03.01 "Экономика" (квалификация (степень) "бакалавр") / Н. С. Косов, Г. И. Терехова, Н. И. Саталкина. - Москва : Инфра, 2016. - 245, [1] с. - (Высшее образование — бакалавриат) (Бакалавриат)

7. Микроэкономика: учебник и практикум для прикладного бакалавриата: для студентов высших учебных заведений, обучающихся по экономическим направлениям / П. Д. Шимко. - Москва : Юрайт, 2018. - 238, [1] с. - (Бакалавр. Прикладной курс) (УМО ВО рекомендует)

8. Тарануха, Ю.В. Микроэкономика: учебник по специальности «Менеджмент организации» / Ю.В. Тарануха, Д.Н. Земляков. – М.: КноРус, 2010. – 318 с.

Additional:

9. Микроэкономика / Грегори Мэнкью, Марк Тейлор. - 3-е изд. - Санкт-Петербург [и др.] : Питер, Прогресс книга, 2019. - 684 с. - (Серия "Классический зарубежный учебник")

10. Микроэкономика: учебник для академического бакалавриата: для студентов высших учебных заведений, обучающихся по экономическим направлениям / [А. А. Вершинина и др.]. - Москва : Юрайт, 2018. - 323, [1] с. - (Бакалавр. Академический курс. Модуль) (Модуль. Бакалавр) (Экономическая теория) (УМО ВО рекомендует) (Соответствует программам ведущих научно-образовательных школ)

11. Микроэкономика: практикум / Министерство образования Республики Беларусь, Белорусский государственный экономический университет. - Минск : БГЭУ, 2016. - 152, [1] с.

12. Микроэкономика / Н. Мэнкью, М. Тейлор. - 2-е изд. - Санкт-Петербург [и др.] : Питер, Питер Пресс, 2016. - 537 с. - (Серия книг "Классический зарубежный учебник")

13. Микроэкономика: структурно-логические схемы: пособие для студентов учреждений высшего образования, осваивающих специальность 1-й ступени высшего образования 1-26 01 03 "Государственное управление и экономика" / В. А. Коврей, О. Э. Шаркова. - Минск : Академия управления при Президенте Республики Беларусь, 2018. - 200, [1] с.

14. Микро- и макроэкономика: учебное пособие для обучающихся учреждений высшего образования Министерства внутренних дел Республики Беларусь по специальности 1-24 01 03 "Экономическое право" / Л. П. Пацкевич, М. А. Балухтин. - Минск : Академия МВД, 2019. - 215 с.

15. Самуэльсон, П.Э. Микроэкономика: [пер. с англ.] / П.Э. Самуэльсон, В.Д. Нордхаус. - 18-е изд. - М.; С-Пб.; Киев: Вильямс, 2008. - 744 с.

16. Тарасевич, Л.С. Микроэкономика: учебник для студентов высших учеб. заведений, обуч. по экон. спец. / Л.С. Тарасевич, П.И. Гребенников, А.И. Леусский; Санкт-Петербургский гос. ун-т экономики и финансов. - 6-е изд., перераб. и доп. - М.: ЮРАЙТ, 2009. - 540 с.

17. Микроэкономика: практикум для иностранных студентов / Т. Г. Корнеевец, К. И. Рябова. - Минск : БГЭУ, 2018. - 103 с.

18. Микроэкономика: кейсы, деловые игры, тесты: учебное пособие / [Е. Г. Попкова и др.]. - Москва : КноРус, 2016. - 288, [1] с. - (Бакалавриат) (ФГОС 3+)