



**MICROECONOMICS**

<b>Credit points</b>	<b>6 CP</b>		
<b>Duration of the course</b>	1st semester		
<b>Study course annotation</b>	The course provides basic knowledge in the theory and practice of microeconomics. Within the course, students will be able to find out the roles and places of society and individual individuals in production and consumption. The course provides the necessary level of knowledge so that students have the opportunity to judge the development of society and the course of economic phenomena at the microeconomic level, to study demand and supply, aspects of consumer behavior, competition and the formation of production costs and revenues.		
<b>Aim of the study course</b>	The aim of the course is to learn the basics of microeconomic theory and to apply it practically in the evaluation of various alternatives, as well as in making the best economic decisions		
<b>Study course results</b>	<b>Knowledge</b>	<b>Skills</b>	<b>Competences</b>
	<ul style="list-style-type: none"> <li>• Understanding of the nature of microeconomics and its operating principles;</li> <li>• the opportunity to use knowledge in practical work, fitting into the appropriate level of the national economy, households and business.</li> </ul>	<ul style="list-style-type: none"> <li>• able to navigate the market situation, assess the main factors in it;</li> <li>• able to analyze competitive markets and conditions, promoting the company's competitiveness;</li> <li>• knows how to navigate the specifics of demand and supply, evaluating the position of the product/service;</li> <li>• knows how to analyze the causes and effects of changes in the company's costs and revenues;</li> <li>• understands the pricing mechanism and factors affecting price changes;</li> <li>• able to solve problem situations in market conditions.</li> </ul>	<ul style="list-style-type: none"> <li>• Ability to analyze economic systems and competitive market situations;</li> <li>• Ability to analyze demand and supply trends and specifics.</li> <li>• the ability to evaluate the company's profit-making opportunities, the company's performance results and forecast its development directions based on the company's cost data analysis;</li> <li>• ability to perform research activities</li> </ul>
<b>Study course content</b>	<b>Topics</b>		
	1	<b>1. INTRODUCTION TO ECONOMICS</b> 1.1. What is the economy? 1.2. Micro and macro level 1.3. The basic problem of economics 1.4. Production resources. Limited resources 1.5. Alternative selection. Production possibilities curve 1.6. Economic systems	
	2	<b>2. MARKET SYSTEM</b> 2.1. Market. Market subjects. Circular flow 2.2. Request 2.3. Demand function and law of demand 2.4. The offer 2.5. Market of production resources	
	3	<b>3. MARKET EQUILIBRIUM</b> 3.1. Equilibrium price formation	



		3.2. Deviation of market prices and volumes from equilibrium, its consequences
	4	<b>4. ELASTICITY OF DEMAND AND SUPPLY</b> 4.1. Elasticity classification 4.2. Demand elasticities 4.3. Flexibility of offer for price 4.4. The practical importance of flexibility
	5	<b>5. CONSUMER BEHAVIOR IN THE MARKET</b> 5.1. Understanding Validity. Overall validity and marginal validity 5.2. Consumer Equilibrium 5.3. Equal validity – indifference curve 5.4. Budget line 5.5. The consumer's optimal choice
	6	<b>6. PRODUCTION</b> 6.1. Production function 6.2. A production function with one variable factor of production 6.3. A production function with two variable factors of production 6.4. Development trajectory of the manufacturer
	7	<b>7. PRODUCER COST THEORY</b> 7.3. Total and marginal costs 7.4. Total revenue
	8	<b>8. PRICING AND PROFIT MAXIMIZATION</b> 8.1. Types of market 8.2. Perfect competition 8.3. Monopoly and its types 8.4. Monopolistic competition 8.5. Oligopoly market model
<b>Form of assessment:</b>	Exam	
<b>Obligatory literature:</b>		
1. Principles of Microeconomics. An Open Texts. Version 2016 - Revision B / Douglas Curtis, Ian Irvine. - Creative Commons License, 2016. - 426 p.: fig., tabl. - (Lyryx with Open Texts). - (+CD)		
<b>Additional reading:</b>		
1. Enterprise and small business, Edited by Sara Carter, Dylan Jones-Evans, Harlow: Pearson Education, 2012.- 545 pages, ISBN: 9780-273-72610-4 2. Parkin M., King D. Economics. – England: Addison.- Wesley, 1995. 3. Reports on the development of Latvia's national economy / Ministry of Economy of the Republic of Latvia. - Riga		
<b>Other sources of information:</b>		
1. Central Statistical Office <a href="http://www.csb.gov.lv">www.csb.gov.lv</a> 2. Eurostat of the European Statistical Office <a href="http://ec.europa.eu/eurostat">http://ec.europa.eu/eurostat</a> 3. Portal of business entrepreneurs and merchants <a href="http://www.mazaisbizness.lv">http://www.mazaisbizness.lv</a> 4. Competition Council <a href="http://www.competitin.lv">http://www.competitin.lv</a> 5. Bank of Latvia <a href="http://www.bank.lv">www.bank.lv</a> 6. Ministry of Economy of the Republic of Latvia <a href="http://www.em.gov.lv">www.em.gov.lv</a> 7. Ministry of Finance of the Republic of Latvia <a href="http://www.fm.gov.lv">www.fm.gov.lv</a> 8. Leta's business portal <a href="http://www.nozare.lv">www.nozare.lv</a> 9. The Economist Magazine <a href="http://www.economist.com">http://www.economist.com</a>		
Changes and additions to the program and literature list are possible during the study process		