

# KÁROLY IHRIG DOCTORAL SCHOOL OF MANAGEMENT AND BUSINESS ADMINISTRATION

## ADVANCED MICROECONOMICS /2020-21/

### *Course Description*

This course provides a higher level study in microeconomics. The course addresses the broad methodological topics of preference, utility, consumption theory, production theory, uncertainty, and general equilibrium theory. This course will, throughout, expose students to the new developments in the field of microeconomics, which have now come to assume a central role, such as, game theory and the strategic interactions between firms; pricing with market power and policies to deal with externalities such as climate change and environmental pollution or environmental benefits.

The use of these basic models of microeconomic analysis will provide the students with the essential tools for solving a wide variety of applied economics and public policy problems in their research and practice.

### *Course Outline*

1. Historical development: neoclassical economics, institutional economics and behaviour economics. Concept of Scarcity, Changing in resources of firms due to technical and social development. Fundamentals of economic models.
2. Consumer theories: Utility maximization; , Consumer demand; Market demand, Evaluating welfare change; Choice under uncertainty, changing in concept of rationality and optimization. Concept of behaviour economics.
3. Producers theories: Technology; Cost functions; Profit function, Profit maximization; Cost minimization, Total factor productivity and social total factor productivity.
4. Market Power and Market Structure
5. Monopoly and Monopsony,
6. Profit maximization; Market segmentation; Price discrimination
7. Oligopoly and Oligopsony
  - 7.1 Game Theory, and strategic behaviour
  - 7.2 Cooperative Oligopoly
  - 7.3 Non-cooperative Oligopoly
8. Monopolistic Competition and welfare; Pricing and Advertising
9. Factor market, Imperfectly Competitive Markets; microeconomic theory and policy
10. Information economics and asymmetric information
11. Externalities and Public Goods: market structure, role of allocating property rights, public goods, Corporate sustainability
12. Changing of actual research topics \_ Nobel prize winners

### Readings:

**R. S. Pindyck D. L. Rubinfeld: Microeconomics,**

H.R. Varian: Intermediate Microeconomics ( as an alternatív).

Suggested readings: based on the research interest will be provided during the lectures.

### Requirement:

In order to complete your PhD studies successfully you are required to take oral exam and write an essay about the theoretical background of the chapter which is much closer to your research topic (10 pages, later it could be part of dissertation + 5 pages essay about the effects of Industry 4.0 in your research field). Please use papers published in high ranking international journals as well.

Dr. Maria Fekete Farkasné  
university professor

# MACROECONOMICS

**LECTURER: Prof. Dr. habil. Robert Magda Phd**

**14 lectures**

## **The purpose of the object, the way of teaching and the nature of the subject**

Macroeconomics provides theoretical basis for economic analysts and decision makers, as well as for applied economic policy. This science is characterized by a multitude of views and disputes. The basic contexts of economics and the basic models that characterize macro processes were revealed during the introductory courses. The central issue is the problem of growth and equilibrium. The Ph.D. course deals with scientific findings and models together with their theoretical backgrounds, enriches models with institutional details, confronts them with reality and deepens our understanding towards an open economy. Theoretical debates and their practical implications are of particular importance, especially with regard to the economic and financial crisis of the early 2000s.

## **Description of the content and structure of the subject**

### **I. Development of macroeconomic thinking, basic concepts.**

1. History of the development of macroeconomics, changes in its central issues and methodology.
2. Currents of thoughts, trends in today's macroeconomics. Economic thought at a crossroads.
3. Measurement of macroeconomic performance, indicators. National income and product accounts. Balance of Payments Accounts and Exchange Rate. Measuring the performance of the Hungarian economy. Limits of the SNA system, new alternate indicators: GNH, GPI, NEW, GINI, etc.
4. Macroeconomic income flow. Economic equilibrium, savings and investments in closed and open economies.

### **II. Classical, neoclassical school, the economy in the long run.**

5. Macroeconomic output, production functions, income distribution. Commodity market, Labour Market and Unemployment.
6. The role of money in the economy. The operation of the financial system in the long run. Quantitative money theory. Money supply, money demand, nominal interest rate and inflation.

7. Economic development and growth. Capital accumulation, population and technology. The Solow model.

### **III. Keynesian model, economy in the short term. Balance and business cycles.**

8. Commodity demand and supply in the short term. Output and labour market balance. Balance on the commodity market. IS curve.
9. Money market in the Keynesian model. Money supply, banking system, money demand motifs. Money market equilibrium, LM curve.
10. Interpretation of economic equilibrium and imbalance in the long run and in the Keynesian model. IS – LM model. Business cycles. Unemployment and inflation. Phillips curve.
11. Questions of the impressionability of an economy, economic policy instruments and constraints.

### **IV. Macroeconomics of an open economy.**

#### **Requirements:**

The subject is concluded with an oral exam. The topics given are the examination questions. Prerequisite for the examination: a successful exam on microeconomics and writing and submitting a 10-15 page essay on a freely chosen macroeconomic topic. Presenting and defending this is part of the oral exam. A combined mark of micro-and macroeconomics will be given after the macroeconomics examination taking into account the grade obtained from microeconomics.

#### **Suggested literatures:**

1. **Paul Krugman and Robin Wells Macroeconomics 2018, Worth Publishers Inc.,U.S. ISBN-13: 9781319181956**
2. Parkin: Macroeconomics 12<sup>th</sup> edition, Pearson Series in Economics, ISBN-13: 978-0133872644
3. J.Stiglitz – A.Sen – J.Fitoussi: Report by the Commission on the Measurement of Economic Performance and Social Progress. UN 2009.
4. Wendy Carlin, David Soskice: Macroeconomics. Oxford Univ.Press
5. Olivier Blanchard, David R. Johnson, Macroeconomics. Pearson

Debrecen 15 September 2020

Dr. habil. Robert Magda Phd