

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE  
WEST UKRAINIAN NATIONAL UNIVERSITY

CONFIRMED:

Acting director of the B.D. Havrylyshyn  
Institute of International Relations

Liudmyla HAVRYLIUK-YENSEN

“ 30 ”

08

2024



CONFIRMED:

Vice-rector for  
Academic Affairs and Research

Viktor OSTROVERKHOV

“ 30 ”

08

2024



**WORK PROGRAM**  
on discipline  
**“Microeconomics”**

**Degree of higher education:** Bachelor

**Branch of knowledge:** 07 Management and administration

**Specialty:** 073 Management

**Educational and professional program:** “International Management”

**Department of Economics and Economic Theory**

Form of study	Course	Semester	Lectures (hours)	Practical classes (hours)	Individual student's work (hours)	Training (hours)	Self-studies of students (hours)	Total (hours)	Exam (sem.)
Full-time	1	1	30	30	4	8	78	150	1

30.08.2024  
*[Signature]*

Ternopil – WUNU  
2024

The work program is based on education and professional bachelor program of the branch of knowledge 07 Management and administration, specialty 073 Management, educational and professional program "International management" confirmed by the Academic Council of West Ukrainian National University (Protocol No 11 on 26.06.2024).

The work program was formed by:  
Ph.D., Associate Professor

Iryna CHYRAK

The work program was confirmed at the meeting of the Department of Economics and Economic Theory, protocol No 1 on 28.08.2024.

Chief of the Department of  
Economics and Economic Theory,  
Professor

Viktor KOZIUK

Reviewed and approved by group providing specialty 073 Management, protocol No 2 on 30.08. 2024.

Chief of the group providing  
specialty 073 Management,  
Professor

Myklailo SHKILNYAK

Guarantor of the  
educational and professional program  
"International Management",  
Professor

Olena SOKHATSKA

## STRUCTURE OF THE WORK PROGRAM OF THE COURSE “MICROECONOMICS”

### 1. DESCRIPTION OF THE COURSE “MICROECONOMICS”

<b>Discipline – “Microeconomics”</b>	<b>Branch of knowledge, specialty, degree of higher education</b>	<b>Description of discipline</b>
Number of credits ECTS – 5	<b>Branch of knowledge:</b> 07 Management and administration	Discipline status: compulsory Language of study: English
Number of test modules – 5	<b>Specialty:</b> 073 Management  Educational and professional program “International management”	Year of study – 1 Semester – 1
Number of content modules –4	<b>Degree of higher education:</b> bachelor	Lectures – <i>30 hours</i> Practical classes – <i>30 hours</i>
Total quantity of hours – 150		Individual work – <i>4 hours</i> Self-studies of students – <i>78 hours</i> Training – <i>8 hours</i>
Weekly hours –10 Including classroom hours – 4		Type of result control – exam

### 2. PURPOSE AND TASKS OF THE COURSE “MICROECONOMICS”

#### 2.1. Purpose of the course

The purpose of the course “Microeconomics” is the formation of students’ knowledge and forming the behavior and decision-making by individual economic micro agents in order to achieve the goal for the available limited resources, which may alternatively apply.

The program of the course is focused on deep learning of the theory of functional analysis, the main appointment of which is to analyze the functional relationships between key economic variables. This enables one to predict the chain of causality in the economy, determining in advance the expected results of decisions made.

## **2.2. Tasks of discipline study**

Tasks of the course are to equip the student a clear idea that success of any business depends not only on the availability of starting capital and entrepreneurial talent, but also on knowledge of the economic laws of micro systems in different market situations and their ability to be applied effectively. Mastering the course should develop students' skills in practical use of microeconomic analysis in decision-making. Acquired knowledge should become a part of general culture of specialist.

The course refers to the general economic fundamental sciences that form the professional outlook of future economists.

## **2.3. The name and description of competences the formation of which provides the study of discipline:**

- 1) (CK 2): ability to analyze the results of the organization's activities, compare it with impact factors of both external and internal environment;
- 2) (CK 12): ability to analyze and structure the problems of the organization, to form reasonable solutions.

## **2.4. Prerequisites for studying the discipline:**

The prerequisite for studying the course “Microeconomics” is basic knowledge of natural and social disciplines on the basis of secondary education.

## **2.5. Results of study:**

- 1) (IIPH 4): to demonstrate skills in problem identification and justification of management decisions;
- 2) (IIPH 6): to demonstrate skills of searching, collecting and analyzing information, calculating indicators to substantiate management decisions.

### **3. CONTENT OF THE COURSE “MICROECONOMICS”**

#### **Theme 1. The Subject and Methods of Microeconomics**

Microeconomics as a part of theoretical economics. Multidimensionality of theoretical analysis of economic systems. The problem of limited resources and the necessity of choice. Alternativeness purposes of limited resources and rational behavior of actors in market relations. Macro-and microeconomics as the most important part of modern theoretical economics, as a methodological, terminological, instrumental basis of specific economic disciplines.

Subject, conceptual framework and methodology of microeconomics. The subject of the course. Subjects and objects of economic relations at the micro level. Individual. Household. Firm. Government. The methodology of microeconomics.

Normative and positive microeconomics. Goals, objectives and content of the discipline. Goals and Objectives of discipline. Block diagram of semantic discipline. Relationship with other disciplines.

*Literature: 1-15.*

#### ***Content module 1***

#### ***The Theory of Consumer Behavior***

#### **Theme 2. The Basic Theory of Consumer Behavior. Marginal Utility of Product**

Utility in economic theory and the problem of it's measurement. The concept of "needs", "types of needs." Economic goods, their classification. The concept "utility", its features. Total and marginal utility. Utility function as the relationship between the number of consumed products and the level of utility, which consumer achieves.

The law of diminishing marginal utility of product. The process of consumption and dynamics of changes in total and marginal utility. The first Hossen's law. The law of diminishing utility of product, its graphical representation.

Optimization of consumption in conditions of plurality of consumable products. The impact of budget restraints and the price of goods on consumer behavior. The essence of rational choice of the consumer.

Consumer's equilibrium. The concept of "consumer's equilibrium". The model of product consumption. The second law of Hossen. The consumer's equilibrium achievement.

*Literature: 1-15.*

#### **Theme 3. The Ordinal Theory of Consumer Behavior**

Consumer choice from the ordinal position. The system of consumer advantages and its basic elements.

Indifference curves and their properties. Features analysis of the utility function from ordinal position. Indifference curves as special tools of microeconomic analysis.

The falling nature and inability to cross indifference curves for other similar conditions. Indifference map.

Budget constraints and opportunities for consumers. Budget line: equations and graphical construction. The concept of the slope of the budget line. Impact of changes of consumer income and the provisions of the budget line on the process of consumption.

Consumers optimum as a model of rational consumer choice. Two approaches to optimize consumer choice, its marginal interpretation. Alignment weighted marginal utility and consumer equilibrium. Different cases of reaching the equilibrium, "angular" and "internal" balance. Economic, algebraic, graphical interpretation of the consumer's equilibrium.

*Literature: 1-15.*

#### **Theme 4. The Analysis of Consumer Behaviour**

Consumer's reaction on income changes. The line "income-consumption", its economic essence. Slope of line as description of consumer relation to blessings. Concept of the "normal" and "poor" goods. Engel curves.

Reaction of consumer on changes in commodity prices. A line of consumption price, its economical essence. Construction of individual demand line.

Effect of substitution and effect of income. Price changes on a "normal" and inferior commodity and their consequences. Compensated change of price. Using of curves of indifference curves for the analysis of consequences of payment the complete money compensation with increase of commodity price. Paradox of Giffen.

Effects of substitution and income as a basis for constructing the function of individual demand for the good in ordinal utility theory.

*Literature: 1-15.*

#### **Theme 5: Demand, Supply and Elasticity**

The need and demand, their relationship. Individual and market demand.

Demand: analytical, tabular and graphical forms. The law of demand. The effect of "crowd", effect "snob", effect "Veblen". Price and non-price factors.

Supply, its nature and ways of expression. The concept of the volume of supply. The law of supply. Analysis of changes in supply and volume of given product under the influence of major non-price determinants.

The market equilibrium and its parameters. The function of equilibrium prices as a manifestation of the ability of forces to synchronize specific decision on the sale. Analysis of the situation of simultaneous changes in supply and demand.

The concept of elasticity. Price elasticity of demand as a dimension of consumer sensitivity to price changes. Income elasticity and cross elasticity of demand. The essence of cross-elasticity of demand, methods of its calculation. Quantitative parameters of elasticity for interchangeable and complementary goods.

Practical use of the concept of cross elasticity of demand in the justification of pricing sellers (producers) of mutual connected goods.

The elasticity of supply. Methods of calculating the degree of price elasticity of demand. Factors affecting the elasticity of supply.

*Literature: 1-15.*

### ***Content module 2. The Production Theory***

#### **Theme 6: The Microeconomic Model of the Enterprise**

Enterprise as market subject and production market system. The simplest scheme of market oriented production system (input, processing, output). Enterprise as purchasing system, as producer, as a seller.

Enterprise as a center of decision-making. The main kinds of the enterprise choice: the production – what to produce? how to produce? for whom to produce? Time factors and periods in functioning an optimal and equilibrium state enterprises.

Most important features of the firm as a micro model. Production factors, their grouping and variation. Concepts and parameters of production functions. Production costs. Profit of the enterprise. Concept of profit. Total, average and marginal profit.

*Literature: 1-15.*

#### **Theme 7. Variation of production factors and producers optimum**

Part variation of production factors. Production function with one variable factor, the phenomenon of "fading" of production function. The rule of diminishing returns (productivity) variable factor of production. Total, average and marginal product, their relationship and graphical display.

Isoquant variation of production factors. Production function with two variable factors. Curve the same product - isoquant. Map of isoquant. Properties of isoquant. Marginal norm of technical substitution of resources. Reasons for positive and negative effects of scale.

The producers optimum. Choose a combination of production factors on the criterion of minimizing costs or maximizing output. Line the same cost - izocost. Izocost equation. Producer equilibrium: graphical, algebraic, economic interpretation.

The trajectory of expanding the production of the company in the short- and long-term periods. The optimal way of development in the short-run and long-run periods.

*Literature: 1-15.*

#### **Theme 8. Cost and Profit of the Enterprise**

Concept and types of cost. The economic and accounting approaches to costing. Alternative cost. Explicit and implicit, internal and external costs. "Normal profit" as one of missed opportunities of cost components. Fixed and variable costs.

Production costs in the short-term period. The typical character of the dynamics of constant, variable and total costs. Features of the dynamics of secondary and marginal costs in the short-term period. Law of the inevitable increase of marginal costs.

Costs in the long-term period. Terms of minimizing costs. Terms of maximizing production, according to prices of resources and total costs. Curves of long-term costs, its types. The concept of minimum efficient size of enterprise.

Income and profit in microeconomics. Gross, average and marginal income, methods of their determination. Profit as the outcome of the enterprise. Accounting and economic profit.

*Literature: 1-15.*

### **Content module 3.**

## ***The Commodity Markets and Markets of Production Factors Theory***

### **Theme 9. The Market of Perfect Competition**

Models of market. Matrix of market forms: perfect competition, monopoly, monopolistic competition and oligopoly. Comparative characteristics of market models.

Market model of a perfect competition and its characteristics. Characteristic features and conditions of perfect competition: openness, mobility of resources, transparency, product homogeneity, and others.

Income and its correlation with the line of demand for the firm. Market demand and demand for the firm in conditions of perfect competition. Graphic exploration of demand, of gross, average and marginal income of the enterprise in conditions of perfect competition.

Enterprise equilibrium and industry in the short-term period. Maximal-minimal aims of company in the short-term period. Conditions of profit maximization of competitive enterprise: the algebraic interpretation.

Market of perfect competition in the long run. Curve of market supply in the long run. Long-term equilibrium of enterprise, branch, market and mechanism of its support.

The efficiency of market perfect competition.

*Literature: 1-15.*

### **Theme 10. The Monopolistic Market**

The model of "pure" monopoly and its characteristics. The concept of "single seller", "market (monopoly) power" in the narrow and broad sense. Varieties of monopoly. Diagnosis of monopoly power. Monopoly of action.

Monopoly market in the short and long run. Curve of demand monopoly. Influence the behavior of a monopolist price elasticity of demand. Monopoly supply and features of its formation. Monopoly price. Price differentiation and discrimination.

Equilibrium of enterprise-monopolist in the long run. Peculiarities of the functioning of real monopolized markets. Analysis of the behavior of real monopolies. The economic consequences of monopolized industry. Comparative evaluation of competitive and monopoly markets. The need for state regulation of monopolies, antitrust policy.

*Literature: 1-15.*

### **Theme 11. The Market of Monopolistic Competition**

Common and distinctive features of monopolistic competition compared with perfect competition and pure monopoly. The number of commodity and product differentiation. Conditions of entry to the industry. Non-price competition.



Elasticity of demand for monopolistic competition. Profitability and losses of enterprises in the short term.

Non-price competition. Nature and prerequisites for the development of non-price competition. Enhancing product differentiation: positive consequences and threats. Advertising products. The impact of advertising on sales volume and costs.

The effectiveness of monopolistic competition. The consequences of non-price competition of consumers: range of consumer choice and the loss of free time. Positive and negative aspects of advertising propaganda of goods. Excess production capacity and its implications for producers and society as a whole.

*Literature: 1-15.*

### **Theme 12. The Oligopoly**

The main features of oligopoly. Oligopoly as a natural and the most common structure in the global market environment. Homogeneity or product differentiation. Barriers to entry into the industry. Asymmetry of oligopoly market power.

Theoretical models of oligopoly. Oligopolistic interdependence. Market leaders and outsiders. Summary of duopoly models for Cournot and Bertrand. Duopoly models by Cournot and Bertrand. Modeling the behavior of oligopoly for functions of their reaction to market changes. Game theory in modeling oligopoly.

Features of oligopolistic market organization. Oligopolistic pricing. Key features of oligopoly pricing. Basic models of oligopolistic pricing. Broken curve of demand, the behavior of competitors, prices for goods of the enterprise.

Pricing on the principle "costs plus ..." The role of non-price competition.

The effectiveness of oligopoly. Public rating of oligopolistic market. Effectiveness of oligopoly compared to other market structure. The economic consequences of oligopoly. Features of state regulation in conditions of oligopoly.

*Literature: 1-15.*

### **Theme 13. Markets of Production Factors**

General characteristics of market input. Functions of market resources in the economy. Consumption of production factors by producer: aims and restrictions. Demand for resources, its original character. The volume of demand on resources, factors that determine its value.

Elasticity of demand on economic resources. Factors of elasticity. Supply and demand on labor in the market of perfect competition. Equilibrium in the labor market, its options. Labor market in conditions of monopsony. Characteristic features of monopsony labor market: supply and demand. The employment rate and wages in conditions of monopsony.

The role of trade unions. Control of trade unions over labor supply and wages.

Capital as a productive resource of long run using. Forms of long-term capital markets. The factor of time in the assessment of capital. Investment decision in the company. Curves of demand and supply on capital goods. The optimal level of investment for the company and its change under interest rate fluctuations.

Marginal efficiency of investment, interest rate and the optimal amount of capital. Nominal and real interest rate.

Market of land. Peculiarities of the land as a factor of production. Demand and supply of land and factors affecting them. Rent. Price of land.

*Literature: 1-15.*

#### ***Content module 4***

### ***The General Market Equilibrium and Effective Functioning of Institutional Market***

#### **Theme 14. The General Market Equilibrium and the Economy of Welfare**

The concept of market equilibrium and its analysis. Partial and general equilibrium. The need to determine the market system as a whole, research interaction and interdependence of its parts. Analysis of the total equilibrium, its stages. The effect of feedback. The system of equations of equilibrium by Walras. Walras Law.

Equilibrium for exchange. The need for and benefits of market exchange. Comparison of marginal substitution rules for pairs of goods exchanged. Diagram Edgeworth. The effectiveness of the exchange. Curve of contracts. Pareto-efficient allocation. Production frontier and efficiency issue. Curve of features consumers. Efficiency in competitive markets the product.

General equilibrium and welfare economics. Aggregate efficiency of competitive markets. The reasons for the limited ability of market regulation: the presence of market power, opacity markets and incomplete or asymmetric information, the impact of external factors, the existence of significant social benefits non-market activity of market and nonmarket mechanisms of regulation and so on. Optimum and kvazi-optimum of market system. The theory of general equilibrium and policy in welfare economics. Criteria for assessment of welfare.

*Literature: 1-15.*

#### **Theme 15. The Institutional Aspects of the Market Economy**

The economic role of government in a market economy. The necessity and limits of state intervention in economic processes in market conditions. The functions of the state. Positive (descriptive) analysis of government behavior. Application of the theory of public choice in the behavior of government.

Non-market (external) effects. The concept of external effects and their economic content. Public and private costs (benefits). Corrective taxes and subsidies. The theorem of Couse-Stinhler. Pollution. The state's role in solving environmental problems.

Public goods. Public choice. The concept of public goods. The demand for public goods and their effective volume. Providing a public goods: markets and states ability.

*Literature: 1-15.*

#### 4. The structure of test credit on course “Microeconomics”

Course themes	Hours					
	Lectures	Practical classes	Individual work	Training	Self-studies of students	Control measures
Theme 1. Subject and Method of Microeconomics	2	2	–		4	Surveys, testing
Content module 1. The Theory of Consumer Behavior						
Theme 2. The Basic Theory of Consumer’s Behavior. Marginal Utility of Product	2	2	–	2	4	Surveys, testing, tasks
Theme 3. Ordinal Theory of Consumer’s Behavior	2	2	–		4	Testing, tasks
Theme 4. The Analysis of Consumer’s Behavior	2	2	1		4	Surveys, testing
Theme 5. Supply, Demand, Elasticity	2	2	–		4	Surveys, tasks
Content module 2. Production Theory						
Theme 6. The Microeconomic Model of the Enterprise	2	2	–	2	6	Surveys, testing
Theme 7. Variation Factors of Production and Producers’ Optimum	2	2	1		6	Testing, tasks
Theme 8. Cost and Profit of the Enterprise	2	2	–		6	Surveys, tasks
Content module 3. Commodity Markets and Factors of Production Theory						
Theme 9. The Market of Perfect Competition	2	2	1	2	6	Testing, tasks
Theme 10. The Monopoly Market	2	2	–		6	Surveys, tasks
Theme 11. The Market of Monopolistic competition	2	2	–		6	Surveys, tasks
Theme 12. The Oligopoly	2	2	–		6	Testing, tasks
Theme 13. Markets of Production Factors	2	2	–		6	Surveys
Content module 4. General Equilibrium and Effective Functioning of Institutional Market						
Theme 14. General Market Equilibrium and Economy of Welfare	2	2	1	2	5	Surveys, testing, tasks
Theme 15. The Institutional Aspects of Market Economy	2	2	–		5	Surveys, testing
TOTAL	30	30	4	8	78	

## 5. TOPICS OF PRACTICAL LESSONS

### *Practical lesson No 1*

#### **Theme: Subject and Methods of Microeconomics**

**Purpose:** knowledge about Microeconomics as a part of theoretical economics, subjects and objects of economic relations at the micro level, goals, objectives and content of the discipline “Microeconomics”

#### **Discussion questions:**

1. Microeconomics as a part of theoretical economics.
2. Subjects and objects of economic relations at the micro level. Normative and positive microeconomics.
3. Goals, objectives and content of the discipline “Microeconomics”.

*Literature: 1-15.*

### *Practical lesson No 2*

#### **Theme: The Basic Theory of Consumer Behavior. Marginal Utility of Product**

**Purpose:** providing students with thorough knowledge of utility in economic theory and the problem of its measurement, the law of diminishing marginal utility of product, equilibrium of the consumers and its achievement.

#### **Discussion questions:**

1. Utility in economic theory and the problem of its measurement.
2. The law of diminishing marginal utility of product.
3. Equilibrium of the consumers. An achievement of consumer equilibrium.

*Literature: 1-15.*

### *Practical lesson No 3*

#### **Theme: The Ordinal Theory of Consumer's Behavior**

**Purpose:** formation of knowledge about consumer's choice from ordinal position, indifference curves as special tools of microeconomic analysis, marginal norm of goods replacement, the nature and methods of its calculation, budget constraints and opportunities for consumers, equations and graphical construction of budget line, and also about consumers' optimum as a model of rational consumer choice.

#### **Discussion questions:**

1. Consumer choice from ordinal position.
2. Indifference curves as special tools of microeconomic analysis.
3. Marginal norm of goods replacement: the nature and methods of calculation.
4. Budget constraints and opportunities for consumers. Budget line: equations and graphical construction.
5. Consumers' optimum as a model of rational consumer choice.

*Literature: 1-15.*

#### ***Practical lesson No 4***

##### **Theme: The Analysis of Consumer's Behavior**

**Purpose:** providing students with knowledge of consumer reaction on income changes, effects of substitution and income as a basis for constructing the function of individual demand for the good in ordinal utility theory.

**Discussion questions:**

1. Consumer reaction on income changes.
2. Effect of substitution and effect of income.
3. Effects of substitution and income as a basis for constructing the function of individual demand for the good in ordinal utility theory.

*Literature: 1-15.*

#### ***Practical lesson No 5***

##### **Theme: Demand, Supply and Elasticity**

**Purpose:** formation of students' knowledge system about human needs and demand, supply, price and non-price determinants effecting it, state regulation of the commodity market, elasticity of demand and supply and mechanisms of its calculation.

**Discussion questions:**

1. Demand and factors affecting it.
2. Supply and factors affecting it.
3. The market equilibrium and its achievement. State regulation of the market.
4. Elasticity of demand and supply and mechanisms of its calculation.

*Literature: 1-15.*

#### ***Practical lesson No 6***

##### **Theme: The Microeconomic Model of Enterprise**

**Purpose:** providing students with thorough knowledge of the enterprise as a subject of market relations, as economic organization and as a center of decision-making, the most important features of the enterprise as a micro model.

**Discussion questions:**

1. Enterprise as a subject of market relations, as economic organization, as the most important kind of macro system.
2. Enterprise as a center of decision-making. Time factors and periods in functioning an optimal and equilibrium state enterprises.
3. Most important features of the enterprise as a micro model.

*Literature: 1-15.*

#### ***Practical lesson No 7***

##### **Theme: Variation of Production Factors and Producer's Optimum**

**Purpose:** formation of students' knowledge about production function with one and two variable factors, about total, average and marginal product, their relationship,

the producers optimum and students' skills to choose a combination of production factors on the criterion of minimizing costs or maximizing output.

**Discussion questions:**

1. Production function with one variable factor.
2. Production function with two variable factors.
3. The producers optimum.

*Literature: 1-15.*

***Practical lesson No 8***

**Theme: Cost and Profit of the Enterprise**

**Purpose:** providing students with thorough knowledge of concept, types, approaches to cost determination, difference of cost in the short-term and long-term periods and skills of students to account income and profit of the enterprise.

**Discussion questions:**

1. Cost: the essence, types and concepts.
2. Cost of the enterprise in the short-term period.
3. Cost of the firm in the long-term period.
4. Income and profit in microeconomics. Accounting and economic profit.

*Literature: 1-15.*

***Practical lesson No 9***

**Theme: The Market of Perfect Competition**

**Purpose:** formation of students' knowledge about the market models, features of market structures, the perfect competition market model and its characteristics, enterprise equilibrium and industry in the short and long-term period and the efficiency of market perfect competition.

**Discussion questions:**

1. Models of market. Features of market structures.
2. The model of the market of perfect competition and its characteristics.
3. Enterprise equilibrium and industry in the short and in the long-term periods.
4. The efficiency of market perfect competition.

*Literature: 1-15.*

***Practical lesson No 10***

**Theme: Monopolistic Market**

**Purpose:** providing students with thorough knowledge of the model of "pure" monopoly and its types and characteristics, about monopoly market in the short and long-term periods, need for state regulation of monopolies, antitrust policy.

**Discussion questions:**

1. The model of "pure" monopoly: the essence and types.
2. Monopoly market in the short-term and long-term periods.
3. Peculiarities of the functioning of real monopolized markets. Comparative evaluation of competitive and monopoly markets.

4. The need for state regulation of monopolies, antitrust policy.

*Literature: 1-15.*

### ***Practical lesson No 11***

#### **Theme: The Market of Monopolistic Competition**

**Purpose:** formation of students' knowledge system about the market of monopolistic competition, it means about signs and spread of monopolistic competition, behavior model of enterprise-monopoly competitor and about non-price competition.

#### **Discussion questions:**

1. Signs and spread of monopolistic competition.
2. Behavior model of enterprise-monopoly competitor.
3. Non-price competition.

*Literature: 1-15.*

### ***Practical lesson No 12***

#### **Theme: The Oligopoly**

**Purpose:** knowledge of oligopoly as a natural and the most common structure in the global market environment and its main features, theoretical models of oligopoly, oligopolistic pricing, about cartels, oligopoly, based on a secret conspiracy, pricing in these conditions, interference by the conspiracy, leadership in prices, and also about the effectiveness of oligopoly, features of state regulation in conditions of oligopoly.

#### **Discussion questions:**

1. The oligopoly: the essence and the main features.
2. Theoretical models of oligopoly. Oligopolistic interdependence and evolution of action market participant.
3. Features of oligopolistic market organization. Oligopolistic pricing.
4. Oligopoly, based on a secret conspiracy, pricing in these conditions, interference by the conspiracy. Leadership in prices.
5. The effectiveness of oligopoly. Features of state regulation in conditions of oligopoly.

*Literature: 1-15.*

### ***Practical lesson No 13***

#### **Theme: The Market of Production Factors**

**Purpose:** formation of students' knowledge system about general characteristics of entry into the market, peculiarities of the labor market functioning, the role of trade unions at the market, about capital as a productive resource of long run using, investment decision in the company, nominal and real interest rate, and also about the market of land and its peculiarities.

#### **Discussion questions:**

1. General characteristics and functions of market of resources in the economy.
2. Peculiarities of the labor market functioning.
3. The role of trade unions at the market.

4. Capital as a productive resource of long run using. Forms of long-term capital markets.
5. Investment decision in the company.
6. Nominal and real interest rate.
7. Market of land. Peculiarities of the land as a factor of production.

*Literature: 1-15.*

#### ***Practical lesson No 14***

##### **Theme: The General Market Equilibrium and the Economy of Welfare**

**Purpose:** providing students with thorough knowledge of the concept of market equilibrium and its analysis, partial and general equilibrium, general equilibrium and the economy of welfare, aggregate efficiency of competitive markets.

##### **Discussion questions:**

1. The concept of market equilibrium and its analysis. Partial and general equilibrium.
2. Equilibrium for exchange. The need for and benefits of market exchange.
3. General equilibrium and the economy of welfare. Aggregate efficiency of competitive markets.

*Literature: 1-15.*

#### ***Practical lesson No 15***

##### **Theme: The Institutional Aspects of Market Economy**

**Purpose:** forming the students' knowledge of the essence of institutional environment of market economy and transaction costs, understanding of the external cost and peculiarities of public goods, knowledge of the social choice theory and its role in market economy.

##### **Discussion questions:**

1. The institutional environment of market economy. Transaction costs
2. External effects. The Coase's theorem.
3. Peculiarities of public goods and conditions of its use
4. The social choice theory and its role in market economy

*Literature: 1-15.*



## **6.INDEPENDENT WORK OF STUDENTS**

Completing the tasks for independent work of students is one of the most important stages of studying the course "Microeconomics" and a mandatory structural element of credit from this course.

The purpose of independent work of students is to deepen and consolidate theoretical knowledge by conducting an independent study of the behavior of consumers and producers on the market, which requires the skillful use of relevant microeconomic models. In the process of performing the tasks for independent work student must demonstrate knowledge of the mechanism of economic decision-making by individual economic entities, be able to analyze models of interaction between consumers and producers, and also correctly formulate conclusions based on the obtained research results.

### **Tasks for independent work of students:**

1. Analysis of the relationship between consumer behavior and quality of life in a market economy.
2. Budget constraint: the essence, factors, assessment of the characteristics of the impact on consumer choice.
3. Subsidies as a mechanism of state support of the producer in market conditions (on the example of the enterprise).
4. Analysis of the impact of taxes on the efficiency of the firm (on the example of the enterprise).
5. Analysis of production efficiency indicators (on the example of the enterprise).
6. Analysis of the company's profit and the main factors that affect it.
7. Oligopolistic market and features of its functioning in Ukraine (or any other country).
8. Competitive market and features of its functioning in Ukraine (or any other country).
9. The market of monopolistic competition and features of its functioning in Ukraine (or any other country).
10. Monopoly market and features of its functioning in Ukraine (or any other country).
11. Natural monopoly and features of its regulation (on the example of the enterprise).
12. Pricing in conditions of monopolistic competition (on the example of the enterprise).
13. Pricing in a monopoly and price discrimination (on the example of the enterprise).
14. Pricing in an oligopoly (on the example of the enterprise).
15. Pricing in a competitive environment (on the example of the enterprise).

16. Consequences of state regulation of pricing for a competitive enterprise, industry.
17. Analysis of antitrust policy (international comparisons).
18. Restraint of monopoly power: antitrust policy (for example, enterprise, industry).
19. Analysis of the state and trends of the market of milk and dairy products (national or regional aspect).
20. Analysis of the state and trends of the meat and meat products market (national or regional aspect).
21. Analysis of the state and trends of the market of bread and bakery products (national or regional aspect).
22. Analysis of the state and trends of the oil and oil products market (national or regional aspect).
23. Analysis of the state and trends of the tobacco market (national or regional aspect).
24. Analysis of the state and trends of the alcohol market (national or regional aspect).
25. Analysis of the state and trends of the real estate market (national or regional aspect).
26. Analysis of the state and trends of the computer and software market (national or regional aspect).
27. Analysis of the state and trends of the drug market (national or regional aspect).
28. Analysis of the state and trends of the gold market (national or regional aspect).
29. Analysis of the state and trends of the gas market (national or regional aspect).
30. Analysis of the state and trends of the car market (national or regional aspect).
31. Analysis of the state and trends of the tourist services market (national or regional aspect).
32. Analysis of the state and trends of the insurance services market (national or regional aspect).
33. Analysis of the state and trends of the banking services market (national or regional aspect).
34. Analysis of the state and trends in the market of consulting services (national or regional aspect).
35. Analysis of the state and trends of the press market (national or regional aspect).
36. Analysis of the state and trends of the advertising services market (national or regional aspect).
37. Interest rate and its impact on the peculiarities of the investment process.
38. Microeconomic analysis of pricing in the resource market: features and trends.
39. The labor market and the peculiarities of wage formation in conditions of perfect competition in the labor market.

40. Antitrust regulation of the economy in Ukraine (or any other country) as a basis for ensuring a competitive environment.

## **7. TRAINING ON COURSE “MICROECONOMICS”**

The primary goal of the training on course “Microeconomics” is to equip students with a comprehensive understanding of microeconomic principles, enabling them to analyze and evaluate individual and firm behavior within different market structures and apply these concepts to real-world economic scenarios.

### **Objectives of the training**

1. *Understand fundamental concepts*: students will learn key microeconomic concepts such as supply and demand, elasticity, consumer choice theory, and production costs.

2. *Analyze market structures*: students will be able to differentiate between various market structures (perfect competition, monopoly, oligopoly, and monopolistic competition) and understand the implications of each on pricing and output decisions.

3. *Apply microeconomic models*: students will develop the ability to apply microeconomic models and theories to analyze real-world economic situations and predict the potential outcomes of various market scenarios.

4. *Evaluate policy implications*: students will be able to assess the impact of government policies on market efficiency and consumer welfare, using microeconomic tools and models.

5. *Develop critical thinking skills*: students will enhance their critical thinking and analytical skills by engaging in problem-solving activities, case studies, and discussions related to microeconomic issues.

6. *Prepare for advanced studies*: the training will provide a strong foundation for students who wish to pursue advanced studies in economics or related fields, fostering a deeper understanding of microeconomic theory and its applications.

These objectives aim to ensure that students not only grasp theoretical concepts but also develop practical skills for applying economic reasoning in various contexts.

## **8.ASSESSMENT TOOLS AND METHODS FOR DEMONSTRATING THE RESULTS OF STUDY**

In the process of study the discipline “Microeconomics” the following methods of evaluation of students’ work are used:

- standard tests;
- current poll;
- modular testing and poll;
- scoring unit testing and interviews;
- evaluation of performance of integrated practical individual task;
- presentations of results of students’ researches;

- rector control work;
- final exam;
- other.

## 9.CRITERIA, FORMS OF ONGOING AND FINAL CONTROL

The final score (on a 100-point scale) the discipline "Microeconomics" is defined as a weighted average, depending on the proportion of each component of test credit.

Module 1		Module 2		Module 3	Module 4	Module 5
10 %	10 %	10 %	10 %	5 %	15 %	40 %
Current assessment	Modular control 1	Current assessment	Modular control 2	Training	Independent work of students	Exam
The grade for the current assessment is defined as the arithmetic average of the grades received during classes (8 topics - from 6 to 8 grades)	The grade for Modular control 1 is given on the basis of the completion of modular work on topics 1–8 (testing, theoretical questions, tasks)	The grade for the current assessment is defined as the arithmetic average of the grades received during classes (7 topics - from 5 to 7 grades)	The grade for Modular control 2 is assigned based on the completion of modular work on topics 9–15 (testing, theoretical questions, tasks)	The grade for the training is defined as the arithmetic average of the grades received for completing the tasks during the training	Evaluation of the task of independent work of students	2 theoretical questions = 30 points each of them; 1 task = 40 points.

### Scale of marking:

For scale of WUNU	For national scale	For ESCT scale
90 – 100	Excellent	<b>A</b> (excellent)
85 – 89	Well	<b>B</b> (very well)
75 – 84		<b>C</b> (well)
65 – 74	Satisfactory	<b>D</b> (satisfactory)
60 – 64		<b>E</b> (adequately)
35 – 59	Unsatisfactory	<b>FX</b> (unsatisfactory with possibility of repeated passing)
1 – 34		<b>F</b> (unsatisfactory without possibility of repeated passing)

## 10. THE LIST OF VISUAL MATERIALS AND GUIDANCE

No	Name	Theme number
1.	Basic information technology software: MS Office, telecommunications software (Opera, Google Chrome, Firefox)	1-15
2.	View Sonic PJ 7223 projector	1-15

## RECOMMENDED LITERATURE

1. Besanko, D., Brauetigam, R. (2020). Microeconomics. 6<sup>th</sup> edition. Wiley, 864 p.
2. Blokdyk, G. (2023). Microeconomics A Complete Guide, 316 p.
3. Chyrak, I. (2018). Microeconomics : textbook. Ternopil, TNEU, 223 p.
4. Chyrak, I. (2022). Methodical instructions and tasks on course “Microeconomics”. Ternopil: WUNU, 82 p.
5. Chyrak, I. (2022). Methodical recommendations and tests on course “Microeconomics”. Ternopil: WUNU, 46 p.
6. Chyrak, I. (2022). Methodical recommendations for tasks solving on course “Microeconomics”. Ternopil: WUNU, 39 p.
7. Dodge, E. (2022). 5 Steps to a 5: AP Microeconomics 2022 Elite Student Edition (5 Steps To A 5 AP Microeconomics & Macroeconomics Elite) 1st Edition: McGraw Hill, 528 p.
8. Kolmar, M. (2022). Principles of Microeconomics. An Integrative Approach: Textbook. URL: <https://link.springer.com/book/10.1007/978-3-030-78167-5>.
9. Martin J. Osborne and Ariel Rubinstein (2020). Models in Microeconomic Theory. Open Book Publishers, 364 p.
10. Maschler, M. (2020). Game Theory, 2nd Edition. 1050 p.
11. Musgrave, F., Kacapyr, E., Redelsheimer, J. (2021). AP Microeconomics/Macroeconomics with 4 Practice Tests, Seventh Edition. Barrons Educational Series, 440 p.
12. Osborne, M., Rubinstein, A. (2023). Models in Microeconomic Theory. Expanded Second Edition, 379 p. URL: <https://doi.org/10.11647/OBP.0362>.
13. Sukhdev, P. (2020). Corporation 2020: Transforming Business for Tomorrow's World Kindle Edition. Island Press, 294 p.
14. Taylor, J., Weerepana, A. (2023). Principles of Microeconomics. Version 10.0, 526 p.
15. Vohra, R. (2020). Prices and Quantities. Fundamentals of Microeconomics. University of Pennsylvania, 220 p.

