

## **PRINCIPLES OF ECONOMICS**

12-hour course

### **Micael Castanheira**

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### **Course outline**

The insights of economics are needed to understand the underlying fundamentals of firm profitability and growth (and thus their financial valuation), government interventions, and important economic trends.

This course provides a short and accessible introduction to these principles, especially useful to postgraduate students who are not familiar with the insights of economics, with a strong focus on microeconomics and the workings of markets.

It allows to better understand the models and techniques used in the other courses of the programme.

In each section, we combine theory and concrete examples, which can vary from year to year. Recurrent topics are: the evolution of oil prices and their impact, cost benefit analyses of government intervention (e.g. where to locate the London airport), the privatization of large utilities in the EU (e.g. electricity and gas).

At the end of the course, Participants will be able to:

- Understand and interpret basic notions of economics,
- Exploit existing modelling techniques and abstraction to enhance this understanding
- Apply economic insights to explain the behaviour of firms, consumers, governments, and others.

## Course structure

- I. Introduction and Simple Markets**
  - a. Introduction: some economic facts
  - b. Supply and Demand
  - c. Elasticity
- II. Market structures**
  - a. Inter-Market Linkages
  - b. Monopoly, Oligopoly, etc...
  - c. Competition
  - d. Government intervention
- III. International trade: theory and recent developments**
  - a. What is international trade?
  - b. Back to economic facts: international developments