SUBJECT TEACHING GUIDE

G2270 - Microeconomics III

First Degree in Economics

Academic year 2026 - 2027

1. IDENTIFYING DATA					
Degree	First Degree in Economics			Type and Year	Compulsory. Year 3
Faculty	Faculty of Economics and Business Studies				
Discipline					
Course unit title and code	G2270 - Microeconomics III				
Number of ECTS credits allocated	6	Term		Semester based (1)	
Knowledge Field	Economic sciences, administration and business management, marketing, commerce, accountancy and tourism				
Web	https://aulavirtual.unican.es				
Language of instruction	English	English Friendly	No	Mode of delivery	Face-to-face

Department	DPTO. ECONOMIA
Name of lecturer	RAMON NUÑEZ SANCHEZ
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Other lecturers	

4. OBJECTIVES
To understand the main theories and approaches of economic analysis in order to be able to explain the behavior of economic agents at a microeconomic level.
To understand the functioning of public institutions and the fiscal framework in order to plan the decision-making of economic agents.
To understand the functioning and regulation of product and factor markets at both national and international levels, as well as the determinants of income and wealth generation, in order to choose the combinations of factors that best suit the objectives pursued.

6. SUBJECT PROGRAM
CONTENTS

1	PREFERENCES, UTILITY FUNCTION, TECHNOLOGY AND PRODUCTION FUNCTION 1.1. Consumer theory. 1.2. Theory of production in the firm.
2	GENERAL EQUILIBRIUM UNDER PURE EXCHANGE 2.1. The Walrasian equilibrium in a pure exchange model. 2.2. Walras' Law in a pure exchange model. 2.3. Efficiency and equity. An introduction to welfare economics.
3	GENERAL EQUILIBRIUM WITH PRODUCTION 3.1. General equilibrium model with production. Exogeneity in factor endowments. 3.2. General equilibrium model with production. The representative agent economy.
4	EXTERNALITIES AND PUBLIC GOODS 4.1. An economy with consumption externalities. 4.2. An economy with production externalities. 4.3. Provision of a public good. 4.4. The free-rider problem.
5	DECISION UNDER UNCERTAINTY 5.1. Definition of a lottery and cardinal utility function. 5.2. Expected utility rule. 5.3. Measures of risk aversion. 5.4. Strategies to reduce risk: pooling, diversification, and spreading.
6	APPLICATIONS OF DECISION THEORY UNDER UNCERTAINTY 6.1. Decision analysis under uncertainty using indifference curves. 6.2. Insurance demand model. 6.3. The mean-variance criterion. 6.4. Portfolio selection model of financial assets.
7	ECONOMICS OF INFORMATION 7.1. Asymmetric information. 7.2. Adverse selection problem. Signaling. 7.3. Moral hazard problem. Principal–agent model.

7. ASSESSMENT METHODS AND CRITERIA

Description	Type	Final Eval.	Reassessment	%
Midterm exam	Written exam	No	Yes	50,00
Final exam	Written exam	Yes	Yes	50,00
TOTAL				100,00

Observations

Students who have not passed the course in the ordinary session are entitled to take the extraordinary session, in which a written exam covering the entire course content will be held, accounting for 100% of the final grade.
Code of conduct
Students must accept the following ethical commitment: As a student of the Universidad de Cantabria (UC), and in accordance with the Academic Integrity Declaration signed upon first enrollment at UC, they commit not to use any illicit means and to comply with any sanctions that the University may impose within the framework of current regulations, without prejudice to any appeals or other actions they may undertake in defense of their interests and rights.
It should be recalled that, according to Article 32 of the Regulations on Assessment Processes at the University of Cantabria:
"Any fraudulent conduct in assessment tests or activities will automatically result in a failing grade of '0' in the course for the corresponding session, thereby invalidating any grades obtained in all assessment activities with regard to the extraordinary session. This circumstance must be reported to the Faculty. In the case of repeated offenses, or when required by the Faculty due to the seriousness of the facts, the Academic Appeals Committee will be responsible for promoting disciplinary actions. For this purpose, the instructor shall submit a report to the Faculty within one month. The Faculty must grant the student the appropriate right to be heard.

Observations for part-time students

Students enrolled on a part-time basis will be subject to a single assessment process consisting of a written exam covering the entire course content, accounting for 100% of the final grade.

8. BIBLIOGRAPHY AND TEACHING MATERIALS
BASIC
Varian, H. R., & Melitz, M. J. (2024). Intermediate Microeconomics: A Modern Approach (10th ed.). New York: W. W. Norton & Company.
Bergstrom, T. C., & Varian, H. R. (2014). Workouts in Intermediate Microeconomics (9th ed.). New York: W. W. Norton & Company.
Instructor's lecture notes available on the course Moodle platform.