ECONOMICS

IE University
Professor: GONZALO MELIAN MARRERO
E-mail: gmelian@faculty.ie.edu

Degree course: FIRST
Semester: 1º
Category: COMPULSORY
Number of credits: 3.0
Language: English

PREREQUISITES
SUBJECT DESCRIPTION

In this subject students will acquire the necessary training to understand the most basic concepts of economic processes. Economics as a coordination process, the value and prices of economic goods, competition, monopoly, the nature of money and credit are some of the skills that are taught in this course. Furthermore, very important tools for a law student will be taught as the tools of public choice or law and economics.

Students will be able to understand the economic scenario with their own criteria at the end of the course.
OBJECTIVES AND SKILLS

2.1. OBJECTIVES

Given its introductory nature, the basic objective of the course is to familiarize students with basic economic concepts and with the methodology that scholars and practitioners in the economic discipline use to understand and explain decision making and the economic problems and phenomena that surround us. In this first course we will get a flavor on how markets work, how prices arise through individuals’ interaction, and how public intervention may at times be justified on social grounds and other times may be questionable if it leads to an outcome where social welfare is smaller than that resulting from an environment with voluntary private interaction. To do so we will go over basic concepts and tools and will sketch out the main economic processes and relationships, in the fields of both microeconomics (feasible choices, individual supply and demand, consumer and producer behavior, the workings of markets, assessment of economic outcomes, public sector intervention, etc.) and macroeconomics (national production and growth, employment and the labor market, the role of investment, inflation, unemployment, fiscal and monetary policies, etc.).

2.2. SKILLS

The Bachelor in Laws, through the study of Economic Theory, aims to develop students’ ability to describe, analyze and understand the economic environment where business takes place. More specifically, the Introduction to Economics course aims for the student to make progress in several specific skills:

Cognitive (Know)

– Analyze the behavior of economic agents (consumers and businesses) and the operation of markets.
– Understand economic institutions through the study of theories as to how the economy works.
– Learn macro-aggregate economic concepts and their use.
– Understand the general workings of the overall economy over the short and the long run.
– Explore the use of economic models to make predictions about the real world.

Procedures (Know How)

– Apply economic criteria based on the use of technical tools to the analysis of simple economic problems.
– Use the relevant information to evaluate the current economic environment and possible evolution of business and markets.
– Use the course material to analyze new economic problems and reason in a rigorous and systematic way.
– Identify the sources of relevant economic information.
– Draw relevant information from data that non-experts would be unable to appreciate.
– Improve the ability to present and discuss in a coherent manner, whether in a written text or public exposition, the results of a specific economic study.

Attitude (Being)

– Improve individual problem solving, confront problems in a rigorous and systematic fashion and think critically.
– Develop the ability to share and discuss the results with other students.
– Encourage an entrepreneurial and positive attitude when faced with new problems, and encourage students to overcome failure.

METHODOLOGY

Each session is designed as follows:

a) 5 minutes: Students give the professor the summary of the previous session. One of them presents it in front of the class.
b) 10-15 minutes: Students will discuss their intuitions behind the topics that will be reviewed that day in the class lesson.

c) 45-60 minutes: master class. Lectures will be highly dynamic, with the exposition of the mainpoints by the professor and active participation from the class, with questions, debates, examples, cases and pictures.

d) 10-15 minutes: The last part of the class is allocated to perform a short multiple choice test about the main points discussed in class.

The learning is based on the combination of three methods:

1. Theoretical classes. Students prepare each session by reading assignment in advance.

2. Case studies, in which they discussed and debated primary texts or cases designed by the professor.
<table>
<thead>
<tr>
<th>Teaching methodology</th>
<th>Weighting</th>
<th>Estimated time a student should dedicate to prepare for and participate in</th>
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<tbody>
<tr>
<td>Lectures</td>
<td>18.67 %</td>
<td>14 hours</td>
</tr>
<tr>
<td>Discussions</td>
<td>9.33 %</td>
<td>7 hours</td>
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<tr>
<td>Exercises</td>
<td>2.67 %</td>
<td>2 hours</td>
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<tr>
<td>Group work</td>
<td>13.33 %</td>
<td>10 hours</td>
</tr>
<tr>
<td>Other individual studying</td>
<td>56.0 %</td>
<td>42 hours</td>
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<tr>
<td>TOTAL</td>
<td>100.0 %</td>
<td>75 hours</td>
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PROGRAM

INTRODUCTION
The course will consist of a total of 15 sessions. There will be a balance between theoretical and discussion classes. The last session consists in an exam.

SESSION 1
INTRODUCTION TO THE CONCEPT OF ECONOMICS

SESSION 2
INTRODUCTION TO MICROECONOMICS

SESSION 3
THE NATURE OF THE ECONOMIC GOODS

SESSION 4
THE MARGINAL UTILITY AND THE CONCEPT OF DEMAND

SESSION 5
COST AND CHOICE: THE CONCEPT OF SUPPLY (1st MID-TERM EXAM)

SESSION 6
SUPPLY AND DEMAND: A PROCESS OF COORDINATION. PRICE-THE FUNDAMENTAL LAW.

SESSION 7
ENTREPRENEURSHIP AND ECONOMIC CALCULATION

SESSION 8
COMPETITION AND MONOPOLY

SESSION 9
THE NATURE AND PROPERTIES OF MONEY

SESSION 10
TIME, INTEREST AND CAPITAL (2nd MID-TERM EXAM)
SESSION 11
THE CREDIT

SESSION 12
MEASURING THE OVERALL PERFORMANCE OF ECONOMIC SYSTEMS: THE ECONOMIC STRUCTURE OF CAPITAL AND THE ECONOMIC CYCLES

SESSION 13
PUBLIC CHOICE

SESSION 14
LAW AND ECONOMICS

SESSION 15
FINAL EXAM

BIBLIOGRAPHY

Recommended readings
EVALUATION CRITERIA

6.1. CLASS ATTENDANCE POLICY
Regular attendance is required in order to receive credit for class participation. According to the University rules, students are required to attend at least 70% of all the sessions scheduled in the course. Absences beyond this limit will automatically result in a zero for the course. No justifications will be necessary for the unattended sessions within the allowed limits.

6.2. EVALUATION SYSTEM
The evaluation for the class will be on a continuous basis and will depend on performance in the mid-term exams and final exam and on participation in class.
The final grade will be calculated as follows:

- Sessions – Active participation: 10%
- Multiple choice tests at the end of each session: 20%
- Mid-term exams (sessions 5 and 10): 30%
- Final exam: 40%

The final exam will have five essay questions. The student must choose and answer three. The mid-term exams will have three essay questions. The student must choose and answer one.

Students who are in the third or fourth attempt should contact the professor during the first two weeks of the course.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Percentage</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>Class Participation</td>
<td>10 %</td>
<td></td>
</tr>
<tr>
<td>Class Participation</td>
<td>20 %</td>
<td>Multiple choice tests at the end of each session</td>
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<tr>
<td>Intermediate Tests</td>
<td>30 %</td>
<td>15% each exam</td>
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<tr>
<td>Final Exam</td>
<td>40 %</td>
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</table>

RETAKE POLICY

- Any student whose weighted final grade is below 5 will be required to sit for the retake exam to pass the course (except those not complying with the attendance rules, whom are banned from this possibility).
- Each student has 4 chances to pass any given course distributed in two consecutive academic years (regular period and retake period).
- Students who do not comply with the 70% attendance rule will lose their 1st and 2nd chance, and go directly to the 3rd one (they will need to enrol again in this course next academic year).
- Grading for retakes will be subject to the following rules:
a. The retakes will consist of a comprehensive exam. The grade will depend only on the performance on this exam; continuous evaluation over the semester will not be taken into account. b. The grading criteria for the retakes are the following: 100% comprehensive exam c. The exam will be designed bearing in mind that the passing grade is 5 and the maximum grade that can be attained is 8 out of 10. d. This is also applicable to students who do not have required attendance, e.g. sickness.
PROFESSOR BIO

Professor: **GONZALO MELIAN MARRERO**

E-mail: gmelian@faculty.ie.edu

GONZALO MELIÁN MARRERO

**Research fields:**
Economics, Urban Planning and Urban Law **Education:**
Since 2009 Ph.D. candidate in Economics, Universidad Rey Juan Carlos de Madrid.
2008 Master in Economics of Austrian School, Universidad Rey Juan Carlos de Madrid.
2006 Ph.D. in Architectura, Universidad de Las Palmas de Gran Canaria.
2005 Master in Urban and Regional Policy, Universidad Carlos III de Madrid.
2004 Master in Architectural Restauration, Universidad Politécnica de Madrid.
2003 Architect, Universidad de Las Palmas de Gran Canaria.

**Employment:**
Since 2017 Director at Universidad Francisco Marroquín Campus Madrid.
Since 2012 Director at Centro de Estudios Superiores Online de Madrid Manuel Ayau (OMMA)
Since 2007 Associate Professor of Urban Planning - Design and Economics at IE University.
2009-2017 Visiting Professor of Economics Process at Universidad Francisco Marroquín.
2013 Associate Professor at Universidad Nebrija de Madrid.
2010-2011 F.A. Hayek Visiting Scholar at George Mason University (USA).
2007-2017 Post-doctoral Visiting Researcher at Cardiff School of City and Regional Planning of Cardiff University (UK).
2006-2009 Member of the research group “Nuevas Técnicas de Arquitectura Ciudad”. Universidad Politécnica de Madrid.
2004-2005 Predoctoral visiting researcher at Escuela Técnica Superior de Arquitectura Universidad Politécnica de Madrid.
2003-2006 Intern reaserch at Gobierno de Canarias - Universidad de Las Palmas de Gran Canaria.

**Other interest data**
Research Award " Viera y Clavijo " (Science) 2007.
Member of the Mont Pelerin Society .
Partner of the Centro de Estudios Económicos y Políticos Instituto Juan de Mariana.
Founder of the Instituto Atlántico de Estudios Económicos y Sociales.
Associate of the Real Sociedad Económica Amigos del País de Gran Canaria
ABC columnist E-mail
gmelian@faculty.ie.edu

OTHER INFORMATION

**CODE OF CONDUCT IN CLASS**

1. **Be on time**: Students arriving more than 5 minutes late will be marked as “Absent”.

Only students that notify in advance in writing that they will be late for a specific session may be granted an exception (at the discretion of the professor).

2. **If applicable, bring your name card and strictly follow the seating chart.** It helps faculty members and fellow students learn your names.
3. **Do not leave the room during the lecture**: Students are not allowed to leave the room during lectures. If a student leaves the room during lectures, he/she will not be allowed to re-enter and, therefore, will be marked as “Absent”.

Only students that notify that they have a special reason to leave the session early will be granted an exception (at the discretion of the professor).

4. **Do not engage in side conversation.** As a sign of respect toward the person presenting the lecture (the teacher as well as fellow students), side conversations are not allowed. If you have a question, raise your hand and ask it. If you do not want to ask it during the lecture, feel free to approach your teacher after class.

If a student is disrupting the flow of the lecture, he/she will be asked to leave the classroom and, consequently, will be marked as “Absent”.

5. **Use your laptop for course-related purposes only.** The use of laptops during lectures must be authorized by the professor. The use of Social Media or accessing any type of content not related to the lecture is penalized. The student will be asked to leave the room and, consequently, will be marked as “Absent”.

6. **No cellular phones:** IE University implements a “Phone-free Classroom” policy and, therefore, the use of phones, tablets, etc. is forbidden inside the classroom. Failing to abide by this rule entails expulsion from the room and will be counted as one absence.

7. **Escalation policy: 1/3/5.** Items 4, 5, and 6 above entail expulsion from the classroom and the consequent marking of the student as “Absent.” IE University implements an “escalation policy”: The first time a student is asked to leave the room for disciplinary reasons (as per items 4, 5, and 6 above), the student will incur one absence, the second time it will count as three absences, and from the third time onward, any expulsion from the classroom due to disciplinary issues will entail 5 absences.