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| Study program: Hotel Management and Tourism, Gastronomy Management | | | | |
| Type and level of studies: Undergraduate academic studies | | | | |
| Course unit: Principles of Economics | | | | |
| Teacher in charge: Miljan Leković / Nemanja Pantić | | | | |
| Language of instruction: English | | | | |
| ECTS: 7 | | | | |
| Prerequisites: No special prerequisites | | | | |
| Semester: WS | | | | |
| Course unit objective | | | | |
| Introducing the students with basic economic categories and laws based on contemporary economic theories. Providing students with basic knowledge about the rational behavior of producers and consumers in the market and the way the market mechanism functions. | | | | |
| Learning outcomes of Course unit | | | | |
| Enabling students to acquire basic knowledge about supply, demand and market equilibrium. Developing students' ability to recognize different competitive positions of companies within the market structure: perfect competition, monopoly, oligopoly and contestable market. Developing students' ability to distinguish the imperfections in the functioning of the market mechanism. | | | | |
| Course unit contents | | | | |
| <i>Theoretical classes</i> | | | | |
| INTRODUCTION TO ECONOMICS | | | | |
| Microeconomics and macroeconomics; Scientific method of economic analysis; Scarcity of economic resources; Unlimited economic needs; Alternative use of economic resources | | | | |
| THEORIES OF THE VALUE OF ECONOMIC GOODS ON THE MARKET | | | | |
| Mercantilism; Physiocracy; Objective theory of the value of classical economics | | | | |
| MICROECONOMIC THEORIES | | | | |
| Marginalism; Neoclassical economic analysis; Contemporary microeconomic analysis | | | | |
| RATIONAL MARKET BEHAVIOR | | | | |
| Rational market behavior of consumers; Rational market behavior of producers | | | | |
| MARKET MECHANISM | | | | |
| Market functions; Supply of goods and services; Demand of goods and services; Market equilibrium; Interrupting market mechanism: price regulations; Adjusting supply to the changes in demand | | | | |
| COMPETITIVE POSITION OF THE COMPANY | | | | |
| Perfect competition; Monopoly; Oligopoly; Imperfect Competition | | | | |
| PRESERVING MONOPOLY POSITION ON THE MARKET | | | | |
| Competition among the oligopolies; Game theory: market conditions of duopoly; Monopolistic agreements; Contestable markets | | | | |
| PRICES ON THE FACTOR MARKETS | | | | |
| Prices on the labor market; Prices on the capital market; Prices on the land market | | | | |
| CORRECTIONS OF MARKET MECHANISM | | | | |
| Imperfections of market mechanism; Limiting monopoly power on the market; Market with asymmetric information; External costs; Public goods | | | | |
| <i>Practical classes</i> | | | | |
| Case studies, discussions, individual research of students (seminars with presentations), group work of students (projects and presentations). | | | | |
| Literature | | | | |
| D. Begg, G.Vernasca, S. Fischer, R. Dornbuch (2014). <i>Economics, 11th edition</i> , McGraw Hill. | | | | |
| Number of active teaching hours | | | | Other classes |
| Lectures: 3 | Practice: 2 | Other forms of classes: | Independent work: | |
| Teaching methods | | | | |
| Traditional lecturing, seminars, individual and team activities, interactive methods in order to promote the active participation of students through discussion, analysis of practical examples. | | | | |

| Examination methods (maximum 100 points) | | | |
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| Exam prerequisites | No. of points: | Final exam | No. of points: |
| Student's activity during lectures | 10 | oral examination | 30 |
| practical classes/tests | 60 | written examination | |
| Seminars/homework | | Other | |
| Grading system | | | |
| Grade | No. of points | Description | |
| 10 | 91-100 | Excellent | |
| 9 | 81-90 | Exceptionally good | |
| 8 | 71-80 | Very good | |
| 7 | 61-70 | Good | |
| 6 | 51-60 | Passing | |
| 5 | 0-50 | Failing | |

(Table 5.2) Course unit description