1. **Utility and Choice**. Measuring utility. Assumptions about utility. Voluntary trades and indifference curves. Utility maximization. Using the model of choice: the impact of consumer theory for doing business.

2. **Individual Demand**. Demand factors. Changes in income. Changes in a good´s price. The importance of substitution and income effects for the given good supplier. The lump-sum principle. Change in the price of another good. Construction of individual demand curves. Shifts of individual demand curves. Consumer surplus.

3. **Market Demand and Elasticity**. Market demand curves: construction, shifts. Price elasticity of demand. Price elasticity and time. Price elasticity and total expenditures. Demand curves and price elasticity. Income elasticity of demand. Cross-Price elasticity of demand.

4. **Uncertainty**. Probability and Expected value. Expected utility. Fair game. Risk aversion. Methods for reducing risk.

5. **Game Theory**. Basic concepts. Equilibrium. Nash equilibrium. Dominant strategies. Prisoners´ dilemma. Mixed strategies. Multiple equilibria.

6. **Production**. Production functions. Marginal product. Isoquant maps. Rate of technical substitution. Returns to scale. Input substitution. Changes in technology.

7. Costs. Economic cost. Labor costs. Capital costs. Cost-minimizing input choice. The firm´s expansion path. Average and marginal costs. Short run costs. Per-unit short-run cost curves. Shifts in cost curves.
8. Profit maximization and Supply. Nature of firms. Profit maximization. Total, average and marginal revenues. Supply decisions of a price-taking firm.
9. Perfect Competition in a Single Market. Timing of a supply curve. Pricing in the very short run. Short-run supply. Short-run price determination. Shifts in supply and demand curves. Short-run supply elasticity. Long-run supply. Shape of the long-run supply.

10. Applying the Competitive model. Consumer and producer surplus. Ricardian rent. Economic efficiency. Price control and shortages. Tax incidence. International trade restrictions.
11. General Equilibrium and Welfare. A perfectly Competitive Price System. A simple general equilibrium model. The efficiency of perfect competition. Why markets fail to achieve economic efficiency. Efficiency and equity. The Edgeworth box diagram for exchange.
12. Monopoly. Causes of monopoly (barriers of entry). Profit maximization. Monopoly supply curve. Monopoly profits. Monopoly and resource allocation. Monopolistic distortions and transfers of welfare. Price discrimination.

13. Imperfect Competition. Cartel outcome. Cournot model. Bertrand model. Product differentiation. First-mover advantages. Price leadership. Monopolistic competition.
14. Pricing in Input Markets. Marginal productivity theory of input demand. Profit maximizing behavior. Price-taking behavior. Responses to changes in input prices. Substitution and output effects. Monopsony.
15. Input Supply. Labor supply. Allocation of time. Income and substitution effects of a change in the real wage rate. Market supply curve for labor.

16. Capital and Time. Time periods and the flow of economic transactions. Individual savings – the supply of loans. Firms´demand for capital and loans. Determination of the real interest rate. Present discounted value.

17. Asymmetric Information. Principal -agent model. Moral hazard. Adverse selection. Warranty and insurance contracts. Asymmetric information in competitive markets. Signaling.

18. Externalities and Public Goods. Defining of externalities. Externalities and allocational efficiency. Property rights, bargaining, and the Coase theorem. Externalities with high transaction costs. Public goods.

19. Consumption. The Keynesian consumption function. Model of intertemporal allocation. Life-Cycle Theory. Permanent-Income Theory. The Keynesian consumption function and effects of interest rate and wealth.
20. Investment. Neoclassical model of investment. Fixed investment - marginal revenue product of capital, marginal cost of capital, optimal quantity of capital, demand for fixed investment, accelerator vs. multiplier. Investment and fiscal and monetary policy. Investment into inventories.
21. The product-expenditure model. Assumptions of model. Four-sectors economy. Equilibrium product. Multiplier. Effects of changes of multiplier and changes of autonomous expenditures upon equilibrium product. Basic macroeconomic identity.

22. Money supply. Money functions. Money aggregates. Balance sheets of the central bank and commercial bank. Multiple deposit creation. The money multiplier.
23. Money demand. The quantity theory of money – Fisher´s and Cambridge versions. The Keynes´ theory of preference of liquidity. The Friedman´s demand for money.
24. Model IS-LM-BP. Assumptions of model. IS curve - market of goods and services. LM curve - markets of money and other financial assets. BP curve - external equilibrium.

24. Fiscal and monetary policy in the case of perfect capital mobility. Fixed and flexible exchange rate. Restrictive and expansive fiscal or monetary policy.
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26. Fiscal and monetary policy in the case of imperfect capital mobility. Fixed and flexible exchange rate. Restrictive and expansive fiscal and monetary policy.

27. Exchange rate. Exchange rate market. Theory of purchasing power parity – absolute and relative versions. Interest rate parity theory. Synthesis of purchasing power parity and interest rate parity.
28. Labour market. Unemployment rate. Types of unemployment. Natural rate of unemployment and full employment. Classical model. Keynesian model – original and new model. Monetarist model.
29. Aggregate demand and aggregate supply model in a closed economy. Aggregate demand – definition, derivation of aggregate demand curve from IS and MP curves, shifts of aggregate demand curve. Aggregate supply – in the short term and long term.

30. Fiscal and monetary policy in the aggregate demand and aggregate supply model. Situations of positive and negative demand shocks in the short term and long term.
31. Phillips curve. Wage and price version of Phillips curve. Situations in the short term and long term. The effect of expectations.
32. **Aggregate demand and aggregate supply model – response to inflation.** Response to the demand inflation – cold turkey method and gradualistic model. The effect of expectation. Response to the supply side inflation – restrictive, neutral and accommodative policy.