

**(Table 5.2) Course unit description**

Study program: General economy; Business economy and management				
Type and level of studies: Undergraduate studies (first level)				
<b>Course unit:</b> Theory and Policy of Prices				
<b>Teacher in charge:</b> Ljiljana Maksimović and Milan Kostić				
Language of instruction: English				
ECTS: 7 (seven)				
Prerequisites: /				
Semester: Summer Semester				
<b>Course unit objective:</b> Explanation of price formation in market economy in conditions of different market structures. It is a complex process that is conditioned by technological factors, the form of competition in the market, and a number of subjective assessments. The goal is to understand the power behind supply and demand, to overcome cost analysis and market efficiency, analysis of pricing strategy, decisions on investment in production, and state policy measures in the field of prices that can improve the results of market competition.				
<b>Learning outcomes of Course unit</b> Acquired knowledge can be used as a practical tool in making managerial decisions. Primarily this refers to the use of marginal analysis in economic decision making and analysis of alternative uses of limited resources, but also to company's strategic choices in contemporary market structures, using game theory.				
<b>Course unit contents</b> <i>Theoretical lectures:</i> <ul style="list-style-type: none"> <li>○ Market and market mechanism</li> <li>○ Consumer behavior, consumer preferences, usefulness and choice</li> <li>○ Individual and market demand</li> <li>○ Production and production costs</li> <li>○ Analysis of market structures (competitive market, monopoly and monopsony, monopolistic competition and oligopoly)</li> </ul> Game theory and competition strategy <ul style="list-style-type: none"> <li>○ Market of production factors</li> <li>○ Analysis of information, market failure, and the role of the state</li> <li>○ Externalities and public goods</li> </ul> <i>Practical lectures:</i> Exercises, Other forms of teaching, Study research work				
<b>Literature</b> Maksimović, Lj. (2008), Theory of prices – microeconomic topics, University of Kragujevac, Faculty of Economics Varian, H. (2006), Intermediate microeconomics, a modern approach, W.W. Norton & Company, New York				
<b>Number of active teaching hours</b>				<b>Other classes</b>
Lectures 45	Practice 30	Other forms of classes	Independent work	
<b>Teaching methods</b>				
<b>Examination methods (maximum 100 points)</b>				
<b>Exam prerequisites</b>	<b>No. of points:</b>		<b>Final exam</b>	<b>No. of points:</b>
Student's activity during lectures	4		oral or written examination	50
practical classes/tests	46			
Seminars/homework	/			
Project	/			
Other				
<b>Grading System</b>				
<b>Grade</b>	<b>Bo. Of Points:</b>		<b>Description</b>	
<b>10</b>	<b>91-100</b>		Excellent	
<b>9</b>	<b>81-90</b>		Exceptionally good	
<b>8</b>	<b>71-80</b>		Very good	
<b>7</b>	<b>61-70</b>		Good	
<b>6</b>	<b>51-60</b>		Passing	
<b>5</b>	<b>0-50</b>		Failing	