

## **TOURISM ECONOMICS**

Degree in Touristic Activities Management

Degree in Touristic Activities Management

---

Code: 13701

Main Scientific Area: Economics

Lecturer: Laurentina Maria da Cruz Vareiro

Language of Instruction: Portuguese

Regime: S1

Contact Hours: 60h Total Workload: 108h

ECTS: 6,0

---

### **Objectives**

The main objective is to give students an articulated understanding of the basic concepts of economic theory and applied them to the study of tourism, either in micro or macro perspective.

In the microeconomic field, following an introductory approach of specific terminology in this area, the tourism market mechanism of supply and demand, the behavior of individual economic agents and their interaction in the markets will be analyzed.

The macroeconomic analysis includes the understanding of the scale of tourism in the Portuguese economy and its main effects on variables: income, employment and gross domestic product.

### **Learning Outcomes**

The purpose is to provide the students with a body of knowledge that allows them to take rational decisions, either assuming the role of consumers or the role of entrepreneurs. Students should also be able to analyze the significance of the main macroeconomic aggregates and the balances between them, the role of tourism in the economy, and to frame the tourism policy in the economic policy in general.

### **Course Contents**

1. Basic concepts

2. Tourism market

Tourist demand

Tourist supply

Tourism market equilibrium

Elasticity applied to tourism

3. Consumer behavior in tourism

Consumer preferences

Indifference curve

Budget constraint

Consumers' rational choices

4. Tourism firms

Production function:short and long run

Costs of production:short and long run

Production and profit maximization decisions

5. Market structures

Perfect and imperfect competition

6. Measurement of economic activity

Concepts, measurement criteria and fundamental relations

Product accounting approaches and method

Real aggregates and nominal aggregates

7. Inflation, unemployment and economic cycles

Concepts

Causes and consequences

8. Tourism in national economy

Classification and identification of tourism's economic outcome

Contribution of tourism to the national and regional economic growth

Balance of services

Tourism as an export

9. Economic policy and tourism

Conditions for establishing tourism policies Public sector intervention in tourism

### **Recommended Bibliography**

CUNHA, L. (2013). Economia e Política do Turismo. Lisboa: Lidel.

DWYER, L., FORSYTH, P. (2006).International Handbook on the Economics of Tourism. London: Edward Elgar Publishing.

MOCHÓN, F. (2004).Economía Y Turismo. Madrid: McGraw-Hill.

PARRA LÓPEZ, E.et al. (2005).Economía Y Turismo – Prácticas. Madrid: McGraw-Hill.SINCLAIR, M. eSTABLER, M. (1997).The Economics of Tourism, Routledge.

### **Learning and Teaching Methods**

In order to provide a general framework of the course and introduce the economic dimension in the analysis of tourist phenomena, the first syllabus covers the basics of Economics.

Understanding the behavior of tourists and of main tourist enterprises and their interaction in tourism market require the analysis of market through the mechanism of supply and demand, the study of the theory of consumer behavior and theory of the firm, and knowledge of market structures, discussed in chapters 2-5of the syllabus.

The analysis of the key issues that arise at the macroeconomic level justifies the study's measure of overall economic activity, and the issues of inflation, unemployment and business cycles, which occupies the syllabus covered in chapters 6 and 7.Finally, considering the debate on the enormous challenge that tourism sector has to improve the development in Portuguese regions, the two last chapters consider the role of tourism in the economy (chapter 8), and frame the tourism policy in the context of economic policy design in general (chapter 9).

### **Assessment Methods**

The evaluation regime for thecurricular unit iscontinuous and periodical. The evaluation is basedon two written tests (T1 and T2), with a weighting of 50% and 35%, respectively, and the classification in each test must be equal to or higher than 7.0; and active participation (PA): 15%, including worksheets and participation in a seminar.

Thisevaluation regimerequires a minimum attendance of 75% of classes. The student who exceeds the absence limit will be disapproved.

Student workers, or students with other special status may choose to take both tests, with weights of 60 and 40%, respectively. However, this option requires prior contact with the UC teacher by the end of September.

A minimum final classification of 10 out of 20 is required for approval in the curricular unit. No oral exam is considered.