



and monetary policy in Islamic framework: Combating inflation, Design of capital markets and Insurance.

#### **Public Finance and Fiscal Policy**

Sources of revenue and heads of expenditure of an Islamic State, the scope for taxation, Objectives of fiscal policy: Social justice, Equity in distribution and elimination of poverty, Beneficiaries of Zakat, Exemption limits and rates of Zakah, Economic impacts of Zakah & Usher: the multiplier effect, Financing economic growth and development in Islamic perspective, The case of domestic and foreign borrowing.

#### **Islamic Economic System**

Salient features of an Islamic Economic System: Objectives, Economic Freedom, Equity and Efficiency, Social and distributive justice, The relative importance of Capital and Labour, Private ownership and property rights, Family system and the law of inheritance, The institution of Zakah and Bait-ul-Mal, Wider circulation of wealth, Fulfillment of basic needs, The institution of Interest and its inconsistency, Rationale for prohibition of interest, Role of the State in an Islamic system, Protection of faith and Islamic values, Economic and social welfare, Alleviation of poverty and reducing of inequalities, Comparison of Islamic economic system with Capitalism and Socialism.

#### **Islamization Process in Pakistan**

Islamization of the banking and financial system: Reports of the CII and implementation issues, the role of financial institutions in the private sector, Implementation of Zakah and Usher system: Prospects and Problems, a brief survey of changes that have taken place in economic and financial structure since 1980's, Islamic Banking practice and the role of the State Bank of Pakistan, The process of Islamization in other countries like Iran, Sudan, Malaysia.

#### **Recommended Books:**

- Ahmed, Khurshid. (1980). Studies in Islamic Economics-King Abdul Aziz University Jeddah and The Islamic Foundation UK
- Ziauddinetal. (1983). Money and Banking in Islam. King Abdul Aziz University Jeddah and Institute of Policy Studies Islamabad.
- Ziaud din (1983). Fiscal Policy and Revenue Allocationin Islam. King Abdul Aziz University Jeddah and Institute of Policy Studies Islamabad.
- Siddiqui, M. N. (1983). Issues in Islamic Banking - Leicester, The Islamic Foundation, UK.

**Code: ECON-301**

**Title: Advanced Microeconomics**

**Credit Hours: 03**

**Prerequisite: Intermediate Microeconomics**

#### **Objectives:**

This course approaches microeconomic analysis at an advanced level, presenting some formal

techniques used in economic research as well as critical perspectives and possible alternatives. The course covers the main topics of microeconomics from consumer and producer behavior, partial and general equilibrium, behavior under uncertainty, game theory and asymmetric information. The course is designed to make students comfortable with the tools and methods of microeconomic analysis and to teach how to structure and analyze problems on these areas from a quantitative perspective

### **Course Contents**

#### **Choice under Uncertainty**

Gambles and Contingent Commodities, Applications of Contingent Commodities, Insurance, Diversification, Risk Spreading

#### **Game Theory**

Fundamentals of Game Theory, Payoff Matrix of a game, Nash Equilibrium, Mixed Strategies, Prisoner's Dilemma, Repeated Games, Application of Game Theory.

#### **Exchange**

The Edgeworth Box, Trade, Pareto Efficient Allocations, Market Trade, The Algebra of Equilibrium, Walras' Law, The Existence of Equilibrium, Equilibrium and Efficiency, The Algebra of Efficiency, Implications of the First Welfare Theorem, Implications of the Second Welfare Theorem

#### **Production**

The Robinson Crusoe Economy, Production and the First Welfare Theorem, Production and the Second Welfare Theorem, Production possibilities, Comparative Advantage, Pareto efficiency

#### **Welfare**

Aggregation of Preferences, Social Welfare Functions, Welfare Maximization, Individualistic Social Welfare Functions, Fair Allocations, Envy and Equity

#### **Asymmetric Information**

Problems Due to Asymmetric Information, Signaling and Screening, Education as a Signaling Model, Adverse Selection, Adverse Selection Problem in Insurance Markets and Labour Markets, Hidden Actions, Moral Hazard in Insurance Markets and Product Markets, Employer-Employee Relationships

#### **Externalities and Public Goods**

Externalities, The Inefficiency of Competition with Externalities Supply-and-Demand Analysis, Cost-Benefit Analysis, Regulating Externalities Emissions Fees versus Standards under Uncertainty, Market Structure and Externalities Monopoly and Externalities Monopoly versus Competitive Welfare with Externalities, Taxing Externalities in Noncompetitive Markets, Allocating Property Rights to Reduce Externalities, Coase Theorem, Markets for Pollution, Open-Access Common Property, Overuse of Open-Access Common Property, Solving the Commons Problem, Public Goods, Types of Goods, Markets for Public Goods, Free Riding, Reducing Free Riding, Valuing Public Goods.

**Recommended Books:**

- Perloff, J. M. (2013). Microeconomics: Theory & Applications with Calculus, 3rd Edition. Pearson Supplementary Texts
- Nicholson, W. & Snyder, C. (2009). Intermediate Microeconomics and Its Application, 11th Edition. Cengage Learning.
- Mas-Colell, A. (1995). Microeconomic Theory, Oxford University Press: New York.
- Mansfield, E., & Yoke, G. (2010), Microeconomics, 11th Ed. Viva Books: New York.
- Jehle, G. A. and Philip J. R. (2000). Advanced Microeconomic Theory, Second edition, Addison Wesley.
- Mas, Colell, A. Whinston, M. D. Green, J. R. (1995). Microeconomic Theory, Oxford University Press.

**Code: ECON-303****Title: Research Methods- II****Credit Hours: 03****Prerequisite: Research Methodology-I****Objectives:**

This course is designed to provide students, enrolled in the undergraduate program of Economics, with the skills required to understand different scientific research tools, used for academic as well as professional investigation of the information. Topics, which will be covered, are sampling; quantitative, qualitative, and mixed data collection techniques; data analysis and interpretation and research proposal development. With the help of existing literature, students will be enabled to find gaps and to identify core problems in different economic situations. The students will learn how to process data and conduct research analysis. At the end of semester, the students will enable to write a research report.

**Course Contents****Sampling**

Sampling vs Population, Sampling design, Probability sampling, Non probability sampling, Factors affecting choice of sample design, Sample size and factors affecting sample size, Sampling error and Non sampling error.

**Sampling Designs**

Census and sample surveys, Implication of a sample design, steps of sampling design, Criteria of selecting a sampling procedure, Characteristics of a good sampling design, Different types of a sampling design, Random sampling, Complex random sampling

**Data Collection**

Experiments, Survey design, Field study, Primary and secondary data collection

**Methods of Data Collection**

Methods of collecting primary and secondary data, quantitative data collection, qualitative data collection, mixed data collection techniques, Selection of appropriate method for data