

Course Title: Microeconomics**Course Description and Objectives**

This course aims at providing insights into and understanding of theories and practices relating to microeconomics. This would be a basic course offered to students who are studying microeconomics for the first time. The background of student audience is based on Intermediate or at least 12 years of education

Learning Objectives

1. To introduce the concepts of Microeconomics.
2. To introduce the basic theories related to Microeconomics.
3. To provide an opportunity to see how Microeconomics is useful and can be applied.
4. To provide an opportunity to develop skills to understand daily economic life and relate it to Microeconomic theory
5. To prepare the student for higher studies in subjects like Managerial Economics & Econometrics

Course Contents

1. Introduction
 - a. Nature and Scope of Economics
 - b. Difference in Microeconomics & Macroeconomics
2. Consumer Behavior:
 - a. Utility-kinds and aspects.
 - b. Cardinal and ordinal approaches of utility.
 - c. Laws of diminishing marginal utility
 - d. Law of Equi-marginal utility.
 - e. Indifference curve analysis and consumer equilibrium.
 - f. Price effect, income effect and substitution effect.
3. Demand, Supply and Price Determination
 - a. Demand- Determinants of demand, law of demand, shifts and shift factors in demand
 - b. Elasticity of demand, Price, income and cross elasticity, Point and Arc Elasticity
 - c. Measurement of elasticity of demand: Percentage, Graphic and Total Outlay methods
 - d. Determinants and importance of elasticity of demand.

- e. Stocks and supply. Determinants of supply, law of supply, shifts & shift factors in supply.
 - f. Elasticity of supply, Measurement & Determinants of elasticity of supply.
 - g. Market equilibrium-surplus and shortage conditions.
 - h. Consumer and Producers surplus.
4. Production & Cost
- a. Production function, Economies of Scale
 - b. Laws of Return and Law of Variable proportions
 - c. Traditional theory of Costs, Average, Marginal and Total Costs
 - d. Long run Average Cost
5. Market Structures
- a. Perfect Competition: Price and output determination in the short and long run
 - b. Monopoly: Price and output determination in the short and long run, Price discrimination
 - c. Monopolistic Competition: Price and output determination in the short and long run
 - d. Introduction to Oligopoly
6. Factor Pricing
- a. Marginal productivity theory
 - b. Recardian theory of rent
7. Basics of Mathematical Economics
- a. Derivatives
 - b. Application of derivatives to concepts like Marginal Cost, Marginal revenue etc
 - c. Basic optimization

Teaching Methods: Lectures, discussions, presentations, quiz & assignments

Assessment Mechanism/Criteria

40% (40 Marks)	Internal Assessment by affiliated institution	*15Marks for Assignments, Quizzes and others **25 Marks for Mid-term Exam
60% (60Marks)	External Assessment by the Punjab University	Final Term Examination

Suggested Readings:

1. Samuelson, Paul A.; William D Nordhaus, Sen & Chaudhry, *Economics*, McGraw-Hill, 20th Edition, **2019**, ISBN-10 : 9389538033, ISBN-13 : 978-9389538038
2. Pindyck, Robert S.; and Daniel L. Rubinfeld. *Microeconomics*. Prentice Hall, 9th Edition: **2017**, ISBN-13: 978-0134184241, ISBN-10: 0134184246
3. Varian, Hal R. *Intermediate Microeconomics*. & Company, 9th Edition, **2014**, ISBN-13: 978-0393123968, ISBN-10: 9780393123968
4. Mankiw, Gregory N., Principles of Microeconomics, Cengage Learning; 8th Edition (January 1, 2017), ISBN-13: 978-1305971493, ISBN-10: 1305971493
5. Rizavi, Dr. Sayyid Salman, “*An Introduction to Economics*”, Syed Mubeen& Co., Lahore, **2019**