

Program	BS Business Education
Semester	1 st
Credit Hours	3
Pre-requisite	None
Course Title	BSBE 302 Micro and Macro Economics
Introduction	This course aims at giving students knowledge about the working of a mixed economy at the aggregate level under pinning of aggregate output and income determination, key macro-economic problems and major policy debate. The basic themes are extended to find out how the disciplines of national income, macro-economics in closed and open economy, macroeconomic stabilization policies, macro-economic components (consumption, saving, private investment, interest etc.), public finance, money and banking link up with conventional macroeconomics.
Learning Outcome	At the end of this course, students will be able to: <ol style="list-style-type: none"> 1. become familiar with and readily use economic terminology. 2. learn about the analytical approach economists take to the problem of scarcity. 3. gain an intuitive understanding of macroeconomic theory and application. 4. acquire better critical thinking skills through the analysis of present day economic issues. 5. provide a foundation for possible careers in business, government, academic or other sectors. 6. develop a conscious recognition of economics in the world around us.
Course Content	<p>MICRO ECONOMICS</p> <p>1) DEMAND: Individual Vs Market, Determinates of Market Demand, Shift in Market Demand.</p> <p>2) SUPPLY: Individual Vs Market, Firm Vs Industry, Determinants of Market Supply, Shifts in Market Supply.</p> <p>3) ELASTICITIES OF DEMAND AND SUPPLY: Own Price, Income and Cross-Price Elasticities of Demand and Price Elasticity of Supply, Short Run Vs Long Run Elasticities, Applications.</p> <p>4) MARKET EQUILIBRIUM: Conditions for Stability of Market Equilibrium, Impact on Market Equilibrium of Shift in Demand and Supply.</p>

- 5) MARKET DISEQUILIBRIUM: Price Ceilings and Price Floors Programmes.
- 6) CONSUMER BEHAVIOUR AND UTILITY MAXIMIZATION: Law of Diminishing Marginal Utility, Consumer choice and Budget Restraint, Utility Maximizing Rule.
- 7) COSTS OF PRODUCTION: Relevant Cost, Opportunity Cost, Explicit Vs Implicit Costs, Incremental Vs Sunk Costs, Short-Run Vs Long-Run Costs. Average and Marginal Costs, Economics of Scale Vs Economics of Scope.
- 8) MARKET STRUCTURE: Monopoly, Oligopoly, Monopolistic Competition Equilibrium of Perfectly Competitive firm in the Short and Long Run. Equilibrium of a Monopoly Firm in the Short and Long Run, Costs and Benefits of Monopoly.
- 9) OLIGOPOLY AND MONOPOLISTIC COMPETITION: Short Run Vs Long Run Equilibrium, Monopolistic Competition and Economic Efficiency.
- 10) FACTOR MARKET: Marginal Productivity Theory of Resource Demand. Determinants of Resource Demand Elasticity of Resource Demand and Optimal Combination of Resources.

MACROECONOMICS

- Objectives and instruments of macroeconomics.
- Tools of macroeconomics policy.
- Aggregate demand and supply.

MEASURING ECONOMIC ACTIVITY.

- Concepts of National Income.
- Measurement of National Income. GDP, NDP, GNP &
- NNP, Personal Income & Disposable Personal Income
- GDP Deflator and a real GDP
- National Income as a measure of economic welfare

CONSUMPTION AND INVESTMENT.

- Consumption, Income and saving.
- Consumption Function.
- Saving Function.

	<ul style="list-style-type: none"> • The Marginal Propensity to Consume and Average Propensity to consume • The Marginal Propensity to Save and Average Propensity to save • Determinants of Consumption • Determinants of Investment (Rate of interest, MEC) <p>INCOME AND EMPLOYMENT DETERMINATION</p> <ul style="list-style-type: none"> • Classical approach. • Modern approach (Keynesian) • Post Keynesian Approach <p>MULTIPLIER AND ACCELERATOR</p> <ul style="list-style-type: none"> • Investment Multiplier. • Tax multiplier, foreign trade multiplier and super multiplier. <p>FISCAL AND MONETARY POLICIES</p> <ul style="list-style-type: none"> • Fiscal Policy • Monetary Policy <p>INFLATION</p> <ul style="list-style-type: none"> • Nature and kinds. • Inflationary and deflationary gaps. • Inflation and unemployment. <p>BUSINESS CYCLE</p> <ul style="list-style-type: none"> • The concept of Business Cycle • Business Cycle Theories • Business Cycle & Business Decision Making <p>INTERNATIONAL TRADE</p> <ul style="list-style-type: none"> • Classical theory of International trade (CIT) • Modern theory of International trade (H-O-Theorem) • Economic Integration and Regional Cooperation. • Protection and free trade. • WTO (Objectives and role) <p>BALANCE OF PAYMENTS</p> <ul style="list-style-type: none"> • Balance of Payments Accounts. • Disequilibrium & Imbalance of Payments. • Causes and Remedies.
References	<p>TEXT/REFERENCE BOOKS</p> <p><u>Principles of Microeconomics</u> and <u>Principles of Macroeconomics</u> by <u>Dr. Libby Rittenberg</u> and <u>Dr. Timothy Tregarthen</u></p>

	<p>Dornbusch, R., Fischer, S., Statz, R. (2018) <i>Macroeconomics</i>. McGraw Hill, New York. (Latest Edition)</p> <p>Mc Connell & Brue. <i>Economics</i>. McGraw Hill, INC (Latest Edition)</p> <p>Choudhry, H. (2002) <i>Economic Theory</i>. Caravan Book House.</p> <p>Ruffin & Gregory. <i>Principles of Economics</i>. Scott, Foresman & Company.</p> <p>Samuelson and Nordhaus. <i>Economics</i>. McGraw Hill, New York. (Latest Edition)</p>										
Teaching/ Learning Strategies	<p>Lecture</p> <p>Multimedia presentations</p> <p>Cooperative Learning</p> <p>Non creditor workshops and seminars.</p> <p>Active Learning</p>										
Evaluation Criteria	<p>Course Evaluation</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Assignments</td> <td style="text-align: right;">20</td> </tr> <tr> <td>Mid Semester Test</td> <td style="text-align: right;">25</td> </tr> <tr> <td>Final Project</td> <td style="text-align: right;">15</td> </tr> <tr> <td>Final Test</td> <td style="text-align: right;">40</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">100</td> </tr> </table>	Assignments	20	Mid Semester Test	25	Final Project	15	Final Test	40	Total	100
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