

Course Code: ECON-103

Title: Principles of Microeconomics

Credit Hours: 03

Course Objectives:

This course is meant to be an introduction to the decision-making process of households, firms, and government, and the resulting allocation of resources through markets. The course examines how individuals and firms make decisions by weighing up costs and benefits, and how the interaction of their decisions leads to market and social outcomes. The objective of the course is to provide students with a clear understanding of the subject of economics as it pertains to the behavior of consumers, firms, and markets.

Learning Outcomes:

This course will help the students to relate the various concepts in economic theory. The main areas under this course are law of Demand and Supply, their elasticity, theory of consumer behavior and production.

Course Contents:

Preliminaries	The Themes of Microeconomics, Scarcity and Economics, what is a Market? Real versus Nominal Prices, Why Study Microeconomics?
Consumer Choice	Cardinal Approach/Utility Analysis: Marginal Utility, Law of Diminishing Marginal Utility, Law of Equi-Marginal Utility, consumer equilibrium. Ordinal Approach of Consumer Behavior: Indifference Curves, Features of Indifference Curves, Budget Line, Consumer Equilibrium. Comparative Statics
The Basics of Demand & Supply	The Market Mechanism: Demand and Supply, factors effecting the market forces, Changes in Market Equilibrium.
Elasticities	Price Elasticity of Demand, Price Elasticity of Supply, Point versus Arc Elasticities, Computing Elasticities, Price Elasticity and Total Expenditure, Cross-Price Elasticity of Demand, Income Elasticity of Demand.
Price Changes and Welfare	Consumer Surplus and producer surplus, price effect, Income effect, and Substitution Effect
Technology and Production	The Technology of Production, Production with one Variable Input (Labor), Production with two Variables, Inputs, Returns to Scale

Cost and Revenue	<p>Measuring Cost: Which Costs Matter? Costs in the Short Run, Costs in the Long Run, Long Run versus Short Run Cost Curves. Average, total, marginal cost curves.</p> <p>Measuring revenue: total, average, and marginal revenue.</p>
Market Structures	<p>Introduction to markets – Perfect competition, monopoly, monopolistic competition, oligopoly. Difference in revenue between perfect competition and other market types. Profit Maximization, derivation of supply curve under perfect competition.</p> <p>Introduction to factor markets</p>

Teaching Methodology:

- To deliver lectures on topics included in course outline
- To require each student to solve independent assignments on topics included in the course.

Evaluation Criteria:

Evaluation Method	Total Percentage
Quizzes/Assignments	25%
Mid-Term Exam	35%
Final-Term Exam	40%

Recommended Books:

- Gans, J.S., King, S.P. & Mankiw, N.G. (2012). *Principles of Microeconomics* (5th ed.), Cengage Learning.
- Colander, Principles of Microeconomics
- Bernanke, Principles of Microeconomics

Supplementary Material:

- McConnell, C., & Bruce, S. (2006). *Principles of Economics* (17th ed.). McGraw-Hill.
- Fuller, N. (1997). *Principles of Microeconomics*. UK: Tudor Business Publisher.