

SEMESTER-III

ECO-211

ECONOMICS

Credit Hour: 4

Type: General

Course Objectives

The aim is to equip Students to understand and apply basic principles of Economics.

Course Contents

- **Introduction**

Nature, scope and importance of Economics, Microeconomics vs. Macroeconomics, Scarcity and choice, Opportunity cost, Factors of production, Production possibility frontier.

- **Demand, Supply and Equilibrium**

Concepts of demand and supply, Laws of demand and supply, Market equilibrium, Shifts in demand and supply curves, and market equilibrium.

- **Elasticity**

Concept of elasticity, Price elasticity of demand, Income elasticity of demand, Cross Elasticity of Demand, Price elasticity of supply, Application of elasticity.

- **Utility Theory**

Consumer behavior, Preferences, Utility function, Laws of Increasing and diminishing marginal utility, Law of Equi-marginal utility.

- **Theory of Firm**

Factors of production and their rewards, Total, average, and marginal products, Laws of returns, Cost of production, Total, average, and marginal costs, Total, average, and marginal revenue. Concept of profit maximization/Cost minimization.

- **Market Structure**

Perfect competition & imperfect competition: assumptions and Price/Output determination.

- **National Income**

Concepts of national income, GDP & GNP, Real vs. nominal GNP, NNP, NL, PDY, Saving and Personal Consumption.

- **Macroeconomic Issues**

Concept of inflation, unemployment, Balance of payment, Exchange rate and Business cycles. Monetary Policy and Fiscal Policy and their role in the economy.

Course Outcome

The Students will be able to analyze, apply and understand basic principles of Economics specially relevant to Pakistani Context.

Recommended Books:

Parkin, M. (2004). Economics. (5th ed.). USA: Addison Wesley.

Samualson, A. P., & Nordhaus, D. W. (2004). Economics (18th ed.). London: McGraw Hills, Inc.

Note: This Course line is taken from Undergraduate studies, University of the Punjab, Lahore.