



**Basic Information:**

<b>Title:</b>	Microeconomic Theory	<b>Code:</b>	ECON 230
<b>Program:</b>	BBIT	<b>Credit Hours:</b>	Three (03)
<b>Sessions:</b>	30 Classes + Mid Term + Final Term	<b>Pre-Requisite:</b>	

**Course Description:**

*Introduction to Microeconomics is an introductory level course covering the principles of production and consumption - and the exchange of goods and service - in a market economy. In particular, it compliments courses in Business Administration program by highlighting the various market mechanisms that influence managerial decision-making.*

*The decisions of various economic agents will be analyzed in terms of the individual interests of these agents, and also in terms of the societal impact these decisions might have. The course has been developed such that it yields insights into the logic of managerial decision-making, and rationale for the various restrictions imposed upon private sector activities by different levels of government.*

**Learning Outcomes:**

*After the completion of this course, it is expected that students who will involve themselves in the knowledge base working of the course will be capable to*

1. *Allocation of scarce resources in economic terms*
2. *The forces of demand and supply and various economic systems*
3. *Elasticity of supply and demand*
4. *Market failure*
5. *Production and Costs*
6. *Markets: perfect competition, monopoly, monopolistic competition, oligopoly*
7. *Factor Market Analysis*

**Teaching Learning Methodology:**

*The formal teaching component of this course consists of active student participation in and contribution to all forms of teaching and learning i.e. lectures, discussions, research assignments and projects. Lectures will be twice a week of 90 min each.*

**Weekly Term Plan**

<b>Wk</b>	<b>Lecture Topic</b>
01	<i>Introduction to Economics</i>
02	<i>Production Possibility Frontier</i>
03	<i>Demand, Law of Demand</i>
04	<i>Supply and Law of Supply</i>
05	<i>Elasticity of Demand &amp; Supply</i>
06	<i>Cost Analysis</i>
07	<i>Cost Curves &amp; their mutual Relationship</i>
08	<i>Quantitative Techniques under Cost Analysis</i>
09	<i>Mid Term Examination</i>
10	<i>Product Market</i>
11	<i>Monopolistic Competition</i>
12	<i>Business Case Studies</i>
13	<i>Factor Market</i>
14	<i>Entrepreneur</i>
15	<i>Case Studies</i>
16	<i>Final Term Examination</i>



### Topics in Detail

**Introduction to Economics**

- Types of Economics*
- Role of Economics in Business Administration*
- Three Basic Questions*

**Production Possibility Frontier**

- Types of Economics*
- Circular Flow of Income & Product*
- Consumer Surplus & Producer Surplus*

**Demand**

- Law of Demand*
- Demand Shifters*
- Demand Function*

**Supply**

- Law of Supply*
- Supply Shifters*
- Supply Function*
- Market Equilibrium*
- Business Case Studies*

**Elasticity of Demand & Supply**

- Applications of Elasticity of Demand & Supply*
- Indifference Curve Analysis*

**Cost Analysis**

- Types of Cost*
- Cost Curves & their mutual Relationship*

**Economics of Scale**

- VMP & Cost Control*
- Cost Minimization Techniques*
- Quantitative Techniques under Cost Analysis*

**Product Market**

- Types of Markets*
- Perfect Competition*

**Monopolistic Competition**

- Oligopoly*
- Monopoly*
- Business Case Studies*

**Factor Market**

- Land*
- Labor*
- Capital*

**Entrepreneur**

- Case Studies*

**Text & Recommended Readings**

- A. *Microeconomics (5th Edition)*  
*N. Gregory Mankiw, Worth Publishers*
- B. *First Principles of Economics*  
*Richard G. Lipsey & Colin Harbury*
- C. *Microeconomics Demystified*  
*Craig A. Doepken*
- D. *Economics*  
*Paul A. Samuelson*
- E. *Economic Journals and Magazines.*

**Assignment Specification**

- Microsoft Word for Documentation*
- Headings*                      *Arial 11pt Bold*
- Normal Text*                      *Times New Roman 10pt*
- Header Footer*                      *Times New Roman 8pt*
- Paragraph*                      *Single Line Spacing*  
*First Line Indent 1.0 cm*
- Page Margins*                      *2 cm from each side*



**Grading Policy:**

Final Grade for this course will be the cumulated result of the following term work with relevant participation according to the quoted percentage.

<b>Sessional</b>	<b>25%</b>		<b>Mid Term</b>	<b>35%</b>		<b>Final Term</b>	<b>40%</b>
Assignments	10 %		Mid Term Exam	25%		Final Exam	30%
Quizzes	10%		Major Report/Work	10%		Case Study/ Project/ Term Paper	10%
Presentations	05%						

*Remember subdivision of Mid Term and Final Term Examination should be done only in extreme cases of very essential and major Grading Instruments.*

**Dishonest Practices & Plagiarism**

Any student found responsible for dishonest practice/cheating (e.g. copying the work of others, use of unauthorized material in Grading Instruments) in relation to any piece of Grading Instrument will face penalties like deduction of marks, grade 'F' in the course, or in extreme cases, suspension and rustication from IBIT.

For details consult Plagiarism Policy of PU at <http://pu.edu.pk/dpcc/downloads/Plagiarism-Policy.pdf>

**Grading System:**

Letter Grade	Grade Point	Num Equivalence
A	4.00	85 – 100 %
A-	3.70	80 – 84 %
B+	3.30	75 – 79%
B	3.00	70 – 74 %
B-	2.70	65 – 69 %
C+	2.30	61 – 64 %
C	2.00	58 – 60 %
C-	1.70	55 – 57 %
D	1.00	50 – 54 %
F	0.00	Below 50 %
I	Incomplete	*
W	Withdraw	*

**Norms to Course:**

- ✓ Submission Date and Time for the term instruments is always **Un-Extendable**.
- ✓ 7 Absentees in class will be result in forced withdrawal. **(PU Policy)**
- ✓ Re-sit in Mid and Final Term will cause you a loss of 2 and 3 grade marks respectively. **(PU Policy)**
- ✓ This is your responsibility to keep track of your position in class evaluation units.
- ✓ After the submission date, NO excuse will be entertained.
- ✓ **Keep a copy of all submitted Grading Instruments.**
- ✓ Assignment is acceptable only in its Entirety.
- ✓ No make up for any assignment and quiz.
- ✓ Copied & Shared work will score Zero.
- ✓ Assignments are Individual.

**Good Luck**