**EC 210 Microeconomics**

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| Resource Person: |  |
| Email:  |  |
| Contact Hours: |  |
| Office Address: |  |
| Programme: |  |
| Section: |  |
| Semester: |  |
| Course Pre-requisites: |  |
| Credit Hours: |  |
| Course Type: |  |
| Venue/Day/Time: |  |
| Course URL (if any): |  |

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| **Course Description:** |
| In Microeconomics, we analyzed the behavior patterns of individual agents like consumer, producer, and a bystander. This course Macroeconomics provides another dimension of the economy where the aggregate behavior also matters within the major agents like consumer, producer and government. It will shed light on issues like provision of jobs, pursuit of national and international policy, balancing goods and money market, maintaining cost of living and last but not the least improving the standard of living.  |

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| **Course Teaching Methodology:** |
| The course includes real life cases and examples of markets. Theoretical foundation is developed and News columns, Reports and Articles are Discussed in the class. A special focus will be placed on current issues in Pakistan |

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| **Programme Educational Objectives (POs):** |
| PO-1 | Graduates must be able to use analytical and reflective thinking techniques to identify and analyze problems, develop viable alternatives, make effective decisions and apply appropriate quantitative and qualitative techniques in solving business problems. |
| PO-2 | Graduates must be able to draft effective business documents and prepare and deliver effective oral business presentations using a variety of appropriate technologies. |
| PO-3 | Graduates must be able to identify and analyze ethical conflicts and sustainability issues involving different stakeholders in order to develop viable alternatives and make effective decisions relating to business ethics and sustainability. |
| PO-4 | Graduates must be able to demonstrate competency in the underlying concepts, theory and tools taught in the core undergraduate curriculum. |
| PO-5 | Graduates must be able to work effectively in teams and understand group processes, leadership, conflict, power and culture in organizations. |
| PO-6 | Graduates must be able to understand the dynamics of local industry and understand business as an integrated system and apply strategic planning tools to coordinate among the functional areas. |
| PO-7 | Graduates must be able to identify and analyze relevant global factors that influence decision-making and develop viable alternatives and make effective decisions in an international business setting. |

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| **Programme Learning Outcomes (PLOs):****After completing this degree programme, students shall be able to:** |
|  | **Mapping the PLOs with POs** |
| PLO-1 | The general behavior of economic agents, students will have idea of about rational behavior and skills to manage their expenditures. | PO – 1, PO – 4, |
| PLO-2 | Ensuring critical thinking is a part of sellers and buyers and how their interactions influence outcomes. | PO – 1, PO – 3, |
| PLO-3 | Being efficient managers, students will be able to minimize the cost structure of a firm. | PO – 2, PO – 5, PO – 6, |
| PLO-4 | Different firm works in different market system, students will be equipped with strategies to perform in each market. | PO – 2, PO – 6, PO – 7, |

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| **Course Objectives (COs)** |
| CO-1 | Understanding the nature of consumers in the market for developing an efficient product development strategy |
| CO-2 | Assessing the market conditions and the nature of buyers and sellers in order to predict the changes in the market prices for expected and unexpected events  |
| CO-3 | Developing the sustainable costing structure of the business to ensure profit maximization of the business. |
| CO-4 | Evolving the business model to compete with the existing and new businesses. |

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| **Course Learning Outcomes (CLOs):****After completing this course, students shall be able to:** |
|  | **Mapping the CLOs with PLOs** |
| CLO-1 | Based on underpinning theories of consumer, students will be able to device how to make optimal decisions. | PLO - 1 |
| CLO-2 | Interaction of demand and supply will provide insight to how prices and quantities of products vary and influence relating products and how are effected the most. | PLO - 2 |
| CLO-3 | Understanding how cost of firm evolves and strategies of how to minimize it. | PLO - 3 |
| CLO-4 | Studying the market environment will equip students of business and commerce to make decisions of their own regarding pricing and production in order to survive in the market. | PLO - 4 |

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| **Assurance of Learning and Assessment Items:***Specify Assessment Items that will assure student learning through application and achieve objectives of specific PLOs / COs / CLOs* |
| **Assessment Item** | **Application/ Objectives****PLO / CO / CLO** |
| Class Activities | CLO-1, CLO-2, CLO-3, CLO-4 |
| Quizzes | CLO-1, CLO-2, CLO-3, CLO-4 |
| Assignments | CLO-1, CLO-2, CLO-3, CLO-4 |
| Mid-term exam | CLO-1, CLO-2 |
| Project *+* Presentation | CLO-3, CLO-4  |
| Final exam | CLO-3, CLO-4 |

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| **Assessment Structure and Grading Policy\*:** |
| **Assessment Item** | **Weight (%)** | **Execution Plan** |
| Class Activities | 5% | N-1 from all class discussion based activities |
| Quizzes | 20% | N-1 from all numerical, short questions and mcq based quizzes |
| Assignments | 15% | N-1 from all take home assignments |
| Mid-term exam | 20% | One-time assessment |
| Project + Presentation | 10% | Group based project allocated by mid term and presentation due 2 weeks before final term |
| Final exam | 30% | One-time assessment |
| **Total**  | **100** |  |
| **Notes – Norms and Important Class Policies:** *(such as submission guidelines, academic honesty, make-up policy, code of conduct)** + - * Positive and constructive class participation will be monitored for each class. Particular emphasis will be given during the skill development discussion & presentation sessions. The manner in which the question is asked or answered will also be noted. Your behaviour, as business executive will contribute to the class participation marks.
* It is must for each student to enroll in the Moodle Platform, as for each course skill development exercises; quiz dates and assignments will be announced and uploaded regularly. It is responsibility of the student to follow the instructions in Moodle, as there will be no excuse of delay in assignment submission beyond specified dead line.
* The learning process is based on independent work with lecture slides, textbook, and skill development exercises - see schedule. You are supposed to have read the text chapters under discussion in advance and attempt the skill development after every class. Anyone can be asked to answer the skill development question which was provided in previous lecture
* Academic integrity is a major part of the foundation of any institution of higher learning. Plagiarism and cheating are among the most common form of academic dishonesty. “Plagiarism” includes all offences in which the work of another person is claimed, even unintentionally, to be one’s own either by copying, purchasing or borrowing such work or failure to give credit for its source. Participants are expected to achieve high standards in their expressions. Participants are required to thoroughly study the topic to be discussed in the next session apart from completing and handing over their assignments.
* Mobiles phones & other electronic gadgets (except non-programmable calculators) are strictly prohibited & participants are not allowed to carry these [even if turned off/silent] in the examination room during 2 hours of examination. If any participant is found guilty during examination timings [for whatever reason], he shall be disqualified from that examination (UMC Case) and shall be awarded Grade "F" for that course.
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*\*Rubrics for all assessments (including mid and final exams) will be provided separately to the students.*

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| **Weekly Sessions Plan:** |
| **Week** | **Topics / Contents** | **Activity** | **Application/Objectives****PLO / CO / CLO** |
| 1-2 | **Class discussion** * Course objectives
* Perception about economics and its importance

**Introduction to Economics*** Why Economics
* Economic vs Economics vs Economy
* Studying Choice in a World of Scarcity:
* Opportunity Cost and trade off
* Goods and services

**Introduction to Microeconomics*** Micro Economic Versus Macro Economics
* Defining Microeconomics
* Agents of the economy and their objectives
* Production possibility frontier
* Efficient, unattainable and inefficient choice
* Positive Versus Normative Economics
* Calculating slope of a curve

**Conclusion.** | Lecture, skill development numerical exercises & class discussion | Familiarization with the concept of scarcity and choice in context of everyday life and national level. (PLO - 1) |
| 3-4 | **Consumer Behavior*** 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
* Comparison between two approaches

 **Conclusion**  | Lecture, Skill development **Case study****Assignment no 1****Quiz no 1** | Understanding of consumer behavior and its determinants will help setting product selling strategy (PLO - 1) |
| 5-6 | **Demand** * Demand Function
* Law of Demand
* Shift in Demand
* Change in Demand
* Factors Affecting Demand

**Supply*** Supply Function
* Law of Supply
* Changes in Supply
* Price Equilibrium

**Market Equilibrium*** Shifts in equilibrium
 | Lecture, Presentation Skill development**Case study****Assignment no 2** | The dynamics of market forces will help understand the changes in prices & quantity sold and how to use it to run your business. (PLO - 2) |
| 7 | **Elasticity of Demand & Supply*** Price Elasticity of Demand & Supply
* Income Elasticity of Demand
* Cross Elasticity of demand
* Mid Point method of Elasticity
* Implications

**Conclusion** | Lecture, skill development & class discussion  | Students will be able to anticipate responsiveness of agents and evaluate if increasing price in beneficial or cost for the firm. (PLO - 2) |
| 8 | **Efficiency and Exchange*** Consumer and producer surplus
* Ceiling and Floor pricing

**Conclusion****Revision and discussions** | Discussion **Quiz no :2** | To let the students know about the role of government in managing prices (PLO - 2) |
| Mid Term |
| 9 | Midterm exam feedback**The Theory of production*** The Production Function
* Total, average and marginal product
* Laws of Returns

**Conclusion** | Lecture,Numerical exercises, class discussion | This topic gives students an understanding about the returns gained by increase in particular factor of production (PLO - 3) |
| 10 | **Theory of Cost****Short run Theory of Cost*** Seven family cost curves
* Relationship between Production and Cost Curves

**Long-run Theory of Cost*** Graphical Representation of Long Run Cost
* Economies, Diseconomies and Constant Returns to Scale

**Conclusion** | Lecture,Numerical exercises,class discussion **Assignment no 3****Quiz no 3** | The behavior of cost for a typical firm and how to find a minimum cost output.(PLO - 3) |
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| 11 | **Market Structure*** Perfect Competition/ Pure Competition
* Different Possibilities of SR firm Equilibrium
* Profit Maximization in the Short-run and long-run
* Supply curve of competitive firm

**Monopoly*** Short run and Long run Equilibrium under Monopoly
* Barriers of entry
* supply curve of monopoly

**Conclusion (Comparison of both)** | Lecture, Applied Examples **Case Study** | Firm type describes the behavior of revenue, hence student will be able to decide the how much to produce (PLO - 4) |
| 12 | **Imperfect Competition****Monopolistic Competition*** Definition
* Price and output determination in monopolistic competition
* Supply curve
* Role of product differentiation
* Comparison with perfect competition

**Oligopoly*** Definition
* Characteristics
* Role of strategy & advertisements
* Examples

Conclusion (Comparison of both) | Comparison lecture, **Case Study****Quiz # 4** | Firm type describes the behavior of revenue, hence student will be able to decide the how much to produce (PLO - 4) |
| 13 | **Externalities*** Positive & Negative
* Rivalry & Excludability
* Issue of Common Resource
* Examples and implications

Revision**Presentations****Overview** | Revision and overview | This section will help to understand how actions of agents can affect other agents and environment (PLO – 2, PLO - 4) |
| 17 | Final Term Examination |  |  |

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| **Primary Text Book (s):** |
| * **McConnel C., Brue** **S., and Flynn S.** (2009). *Economics; Principles, Problems, and Policies*. McGraw Hill Irwin
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| **Reference / Supplementary Reading (s):** |
| **Froyen R.T.** (2013). *Macroeconomics Theories And Policies*. Prentice Hall.Blanchard O. and Johnson D. (2008). *Macro Economics*. Pearson EducationMankiw N.G. (2014). *Principles of Macroeconomics*. CENGAGE Learning, 7th edition  |
| **Useful Online / Web Resources:** |
| https://www.finance.gov.pk/* <https://www.worldbank.org/>
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