



University of Management and Technology

**EC 561 - Business Economics Theory and Application**

|                        |                                   |
|------------------------|-----------------------------------|
| Resource Person:       | <b>Dr. Muhammad Shahid Hassan</b> |
| Email:                 | shahid.hassan@umt.edu.pk          |
| Contact Hours:         | Wednesday 04:30 PM - 06:30 PM     |
| Office Address:        | N3-09 – Finance Hall, Room # 1    |
| Programme:             | MBA                               |
| Section:               | -                                 |
| Semester:              | Fall 2022                         |
| Course Pre-requisites: | NA                                |
| Credit Hours:          | 3                                 |
| Course Type:           | New Batch – MBA                   |
| Venue/Day/Time:        | Wednesday / 6:30pm – 9:30pm       |
| Course URL (if any):   | -                                 |

**HSM Mission**

Our Mission is underpinned by two facets: development of those who create value for institutions and business organizations. We accomplish this through our degree programs (BBA, BS and MBA, MS).

We also seek to develop scholars who are able to generate and disseminate cutting edge knowledge. We accomplish this through our faculty research and PhD programs.

**MBA Mission**

Our mission is to transform students into visionary leaders, managers, and entrepreneurs who are sensitive to corporate social responsibility, business ethics, and global sustainability challenges.

**Programme Educational Objectives (POs): MBA**

|     |  |
|-----|--|
| PO1 | To inculcate reasoning, critical analytical, problem-solving, and decision-making skills.    |
| PO2 | To provide real-life work experiences.   |
| PO3 | To provide opportunities to network with employers and entrepreneurs.                        |
| PO4 | To develop future leaders, managers, and entrepreneurs for the digital and globalized world. |
| PO5 | To develop effective presentation, oral, and written communication skills.                   |
| PO6 | To expose students to the important social, environmental, economic and ethical issues.      |



**University of Management and Technology**

| <b>Programme Learning Outcomes (PLOs): MBA</b>                            |   | <b>Mapping the PLOs with POs</b> |
|---|---|----------------------------------|
| <b>After completing this degree programme, students shall be able to:</b> |   |                                  |
| PLO1  | Critically analyze complex business situations and make appropriate decisions.  |                                  |
| PLO2  | Successfully negotiate with the challenging work demands.   |                                  |
| PLO3  | Apply organizational theories, models, and frameworks to the real-world business situations to solve managerial issues. |                                  |
| PLO4  | Communicate effectively and efficiently, and deliver professional business presentations.                               |                                  |
| PLO5  | Analyze and evaluate market opportunities and develop viable business plans.  |                                  |
| PLO6  | Use digital technologies and data analytics tools to make informed decisions.   |                                  |

**Course Description:**

In this course, we would learn about the concepts and application of economics at microeconomic and at macroeconomic levels. The course will cover basic principles of economics, market forces such as demand and supply, elasticity of demand and supply, theory of production and cost, market structure, assessment of the economy and macroeconomic issues such as inflation, unemployment and economic growth. For details, go through the course outline. If you find any difficulty regarding the course, you could quickly walk-in to my office or you could write me an email.

| <b>Course Objectives (COs):</b>   |  | <b>Mapping the POs</b> |
|-----------------------------------|--|------------------------|
| <b>The course objectives are:</b> |  |                        |
| CO1                               | To develop familiarity with the application of economics to everyday business                                    | PO3                    |
| CO2                               | To provide relevance of market conditions at micro level to form basis of the working of a firm                  | PO3                    |
| CO3                               | To prepare students to undertake business analysis   | PO1                    |
| CO4                               | To impart the importance of effective cost analysis for good business management practices                       | PO1                    |
| CO5                               | To brief the students regarding basics of business competition   | PO1, PO3, PO5          |
| CO6                               | To bring relevance to larger economic profile of a country to business performance                               | PO1                    |
| CO7                               | To be able to estimate the interrelationship among macroeconomic indicators and their application in the economy | PO5, PO6               |



**University of Management and Technology**

| <b>Course Learning Outcomes (CLOs):</b><br>After completing this course, students shall be able to: |   | <b>Mapping the PLOs</b> |
|---|---|-------------------------|
| CLO1  | After applying theories/ models/ methods learned in the course, students should be able to grasp basic and applied concepts of economics to identify economic issues at micro and macro levels in any economy.                  | PLO1, PLO3              |
| CLO2  | Participants should be able to present and discuss market and economic situations based on the trends of the data.  | PLO3, PLO5              |
| CLO3  | Students should be able to develop any suitable function to any microeconomic / macroeconomic issue(s) for an assigned industry/region for proposing possible recommendations based on the findings for a possible solution(s). | PLO3, PLO6              |
| CLO4  | Students should be able to think, feel and behave as a rationale economic agent.  | PLO5                    |

| <b>Assurance of Learning and Assessment Items:</b><br><i>Specify Assessment Items that will assure student learning through application and achieve objectives of specific PLOs / COs / CLOs</i> |                                    |
|--|------------------------------------|
| <b>Assessment Item</b>   | <b>Application/ Objectives CLO</b> |
| Quiz   | CLO1, CLO2                         |
| Assignment   | CLO1, CLO2                         |
| Class Activity   | CLO1, CLO2                         |
| Mid Term Exam  | CLO2, CLO3, CLO04                  |
| Final Exam   | CLO2, CLO3, CLO04                  |
| Project + Presentation   | CLO1, CLO2, CLO3                   |

| <b>Assessment Structure and Grading Policy*:</b> |                   |                       |
|--|-------------------|-----------------------|
| <b>Assessment Item</b>                           | <b>Weight (%)</b> | <b>Execution Plan</b> |
| Quiz   | 10                | 3 Quizzes             |
| Assignment                                       | 10                | 3 Assignments         |
| Class Activities                                 | 10                | 3 Class Activities    |
| Mid Term Exam                                    | 25                | One-time assessment   |
| Final Term Exam                                  | 35                | One-time assessment   |
| Project + Presentation                           | 10                | One-time assessment   |
| <b>Total</b>                                     | <b>100</b>        |                       |

**Notes – Norms and Important Class Policies:**

- **Class Policy:** You are required to be in class at the assigned time. If you arrive more than ten minutes late, you will be marked absent.
- **Email Policy:** You will be responsible if you miss a deadline because you did not read your



## University of Management and Technology

email. Participants should regularly check their University email account.

- **Class Attendance Policy:** A minimum 80% attendance is required for a participant to be eligible to sit in the final examination. Reporting sick and attending family functions (such as a wedding) will be considered as absent. Participants with less than 80% attendance in a course will be given grade 'F' (Fail) and will not be allowed to take the final exam. An 'F' grade will negatively impact student's CGPA.
- **Mobile Policy:** Switch off your mobile phones while in class.
- **Withdrawal Policy:** Students may withdraw from a course till the end of the 12th week of the semester. In such a case, a grade 'W' will be awarded. A 'W' grade will not impact student's CGPA. A student withdrawing after the 12th week will be awarded 'F' grade, which will negatively impact CGPA.
- **Harassment Policy:** Sexual or any other form of harassment through physical, verbal or electronic (mobile, email, etc.) means is constituted as punishable offence. Such actions will not be tolerated.
- **Use of Unfair Means/Honesty Policy:** Any participant found using unfair means or assisting another participant during a class test, quiz, assignment, examination, etc. will be liable for strict disciplinary action.
- **Plagiarism Policy:** Plagiarism is defined as the practice of taking someone else's work or ideas and passing them off as one's own. The participants will submit the plagiarism report to the resource person with every assignment, report, project, thesis, etc. A participant who fails to submit the 'Turnitin' report will receive 'F' grade that will count towards CGPA. If participants attempt to cheat 'Turnitin,' they will receive an additional 'F' that will count towards their CGPA. Look up the Student Handbook for further information on rules and regulations regarding plagiarism while submitting final report and other documents.

### Course Teaching Methodology:

- Interactive lectures with hands on class activities.



**University of Management and Technology**

| Weeks | Topics to be covered in the Course   | Mapping with CLOs |
|-------|--|-------------------|
| 1-2   | <p><b>Basic principles of Economics</b></p> <ul style="list-style-type: none"> <li>• Tradeoff</li> <li>• Opportunity Cost</li> <li>• Thinking at Margin</li> <li>• Response to Incentives</li> <li>• Role of Trade</li> <li>• Markets and Economic Activity</li> <li>• Governments and Market Outcomes</li> <li>• Standard of Living and Production Potential of the Countries</li> <li>• Money Supply and Prices</li> <li>• Short Run Tradeoff between Inflation and Unemployment</li> <li>• Micro versus Macro Economics</li> <li>• Capital and Consumption Goods</li> <li>• Positive versus Normative Economics</li> </ul> <p><b>Conclusion</b></p>   | CLO1              |
| 3-4   | <p><b>The Market Forces: Demand and Supply</b></p> <p><b>Demand</b></p> <ul style="list-style-type: none"> <li>• Relationship between Quantity Demanded and Price</li> <li>• Demand Curve</li> <li>• Law of Demand</li> <li>• Individual Demand and Market Demand</li> <li>• Price and Non-Price Factors of Demand</li> <li>• Demand Function</li> <li>• Movement along the Demand Curve</li> <li>• Shifting of Demand Curve</li> </ul> <p><b>Supply</b></p> <ul style="list-style-type: none"> <li>• Relationship between Quantity Supplied and Price</li> <li>• Supply Curve</li> <li>• Law of Supply</li> <li>• Individual Supply and Market Supply</li> <li>• Price and Non-Price Factors of Supply</li> <li>• Supply Function</li> <li>• Movement along the Supply Curve</li> <li>• Shifting of Supply Curve</li> </ul> <p><b>Market Equilibrium</b></p> <ul style="list-style-type: none"> <li>• The Impact of Price Factors on Market Equilibrium</li> <li>• The Impact of Non Price Factors of Demand on Market Equilibrium</li> <li>• The Impact of Non Price Factors of Supply on Market Equilibrium</li> </ul> <p><b>Conclusion</b></p> | CLO1, CLO3        |

**University of Management and Technology**

|              |  |                  |
|--------------|--|------------------|
| <b>5-6</b>   | <p><b>Elasticity of Demand and Supply</b></p> <ul style="list-style-type: none"> <li>• Elasticity of Demand</li> <li>• Elasticity of Supply</li> <li>• Methods to Calculate Elasticity <ul style="list-style-type: none"> <li>• Point Elasticity</li> <li>• Arc Elasticity</li> </ul> </li> <li>• Types of Elasticity of Demand with respect to Price and Non Price Factors</li> <li>• Types of Elasticity of Supply with respect to Price and Non Price Factors</li> </ul> <p><b>Conclusion</b></p>   | CLO1, CLO3       |
| <b>7</b>     | <p><b>Business and the Costs of Production</b></p> <ul style="list-style-type: none"> <li>• Defining Cost of Production</li> <li>• Implicit and Explicit Costs</li> <li>• Cost Concepts in the Short Run</li> <li>• Cost Concepts in the Long Run</li> <li>• Economies and Diseconomies of Scale</li> </ul> <p><b>Conclusion</b></p>   | CLO1, CLO3       |
| <b>8</b>     | <b>Mid Term Exam</b>   |                  |
| <b>9-10</b>  | <p><b>The Theory of Firm and Market Structure:</b></p> <ul style="list-style-type: none"> <li>• Features of Perfect Competition</li> <li>• Features of Monopoly</li> <li>• Features of Imperfect Competition <ul style="list-style-type: none"> <li>• Duopoly</li> <li>• Oligopoly</li> <li>• Monopolistic Competition</li> </ul> </li> </ul> <p><b>Conclusion</b></p>   | CLO1, CLO3, CLO4 |
| <b>11-12</b> | <p><b>Measuring National Income/National Product</b></p> <ul style="list-style-type: none"> <li>• Concepts of National Income</li> <li>• Methods to Calculate National Income</li> <li>• Circular Flow of National Income</li> <li>• Measuring Real GDP and Monetary GDP</li> <li>• Measuring Inflation Rate using GDP Deflator Approach</li> <li>• Measuring Consumer Price Index</li> <li>• Measuring Inflation Rate using CPI Approach</li> <li>• Measuring Unemployment Rate using Labor Force and Total Population Approaches</li> </ul> <p><b>Conclusion</b></p> | CLO2, CLO3, CLO4 |
| <b>13-14</b> | <p><b>Regression Analysis</b></p> <ul style="list-style-type: none"> <li>• Understanding Descriptive Statistics</li> <li>• Understanding Correlations</li> <li>• Role of Multiple Linear Regression for Estimating Macroeconomic Models</li> <li>• Role of Diagnostics in Regression Analysis</li> </ul>   | CLO2, CLO3, CLO4 |



University of Management *and* Technology

|           |                                 |  |
|-----------|---------------------------------|--|
|           | <b>Conclusion</b>               |  |
| <b>15</b> | <b>Revision + Presentations</b> |  |
| <b>16</b> | <b>Final Term Exam</b>          |  |

**Primary Text Book (s):**

No specific Book is allocated in this course. All the readings and cases will be uploaded on LMS

**Reference / Supplementary Reading (s):**

These are some books which are helpful to extract material related to the contents.

- **Economics; Principles, Problems, and Policies**  
McConnell, C. R., Brue, S. L., Flynn, S. M. (2014). McGraw Hill Education Publisher, 20<sup>th</sup> Edition.
- **Economics**  
Samuelson, P. & Nordhaus, W. (2009). McGraw Hill Publisher, 19<sup>th</sup> Edition.
- **Principles of Microeconomics**  
Mankiw, N. G. (2020). Cengage Learning Publisher, 9th Edition.
- **Principles of Macroeconomics**  
Case, K. E., Fair, R. C., & Oster, S. M. (2017). Pearson Publisher, Latest Edition.
- **Macro Economics**  
Mankiw, N. G. (2017), Worth Publisher, Latest Edition.
- **Basic Econometrics**  
Gujarati, D. N. & Porter, D. C. (2008). McGraw Hill Education Publisher, 5<sup>th</sup> Edition.