

Course Description: Microeconomic

1. Basic Information:

Course Name	Microeconomics
Course ID	BEC202
Contact Hours (Registered Sessions)	18
Contact Hours (Synchronized Sessions)	18
Mid Term Exam	–
Exam	75 min
Registered Sessions Work Load	18
Synchronized Session Work Load	18
Credit Hours	4

2. Pre-Requisites:

Course	ID
Introduction to Economics	BEC101

3. Course General Objectives:

This course introduces the students to the basics of microeconomics. It also aims at enabling students acquire basic economic analytical skills. Students will be trained to analyze markets using economic techniques. This course focuses in particular on step-by-step approach in using supply and demand theory and marginal analysis as a tool to describe and interpret market phenomena. This course covers consumer's theory, production theory, and market equilibrium. Some emphasis is made on the system of perfect competition, and monopoly.

4. Intended Learning Outcomes (ILO):

Code	Intended Learning Outcomes
ILO1	Understand the basic of economic way of thinking.
ILO2	Understand marginal analysis and its applications in analyzing decision-making of economic agents.
ILO3	Comprehend the basics of consumer's theory.
ILO4	Comprehends the basics of the theory of supply and demand.
ILO5	Understand how to calculate and interpret elasticity.
ILO6	Understand the way public policy interventions affects markets.
ILO7	Understand the basic measures of gain and loss from transactions.
ILO8	Understand the basic of production theory and behavior of costs.
ILO9	Understand perfect competition conditions and characteristics.
ILO10	Understand monopoly and how it differs from perfect competition in terms of supply and demand curve shapes and level of efficiency.

5. Course Syllabus (18 hours of total synchronized sessions)

RS: Recorded Sessions; SS: Synchronized Sessions;

ILO	Course Syllabus	RS	SS	Type	Additional Notes
ILO1	The economic way of thinking. Some basic concepts of microeconomics.	1.5	1.5	Exercises Assignments Seminars Projects Practices Others	
ILO2	Marginal analysis – Discrete control variables. – Continuous control variables.	1.5	1.5	Exercises Assignments Seminars Projects Practices Others	Excel can be used to reproduce numerical tables and make charts to illustrate the marginal principle.
ILO3	Utility Marginal utility. Utility maximization and consumer's equilibrium.	1.5	1.5	Exercises Assignments Seminars Projects Practices Others	
ILO4	Demand and the demand law. Change in demand and change in quantity demanded. Supply and the law of supply. Change in supply and change in quantity supplied. Supply determinants. Market equilibrium.	1.5	1.5	Exercises Assignments Seminars Projects Practices Others	

ILO5	Own-price elasticity. Levels of Own-price elasticity. Cross-price elasticity. Income elasticity of demand. Price effect. Elasticity of supply	3	3	Exercises Assignments Seminars Projects Practices Others	Students should perform classroom exercises, where they can calculate and interpret the value of different types of elasticities.
ILO6	Public policy intervention: Price ceiling. Indirect tax Affecting supply and demand conditions.	1.5	1.5	Exercises Assignments Seminars Projects Practices Others	The instructor may use local examples provided that the discussion of public policy intervention is restricted to the technical approach of classic economics. Ideology of intervention should be avoided.
ILO7	The concept of marginal willingness to pay. Consumer's surplus. Producer's surplus.	1.5	1.5	Exercises Assignments Seminars Projects Practices Others	
ILO8	Cost, revenue, and economic profit. Production function. Costs. Long-run cost and optimum rate of scale.	1.5	1.5	Exercises Assignments Seminars Projects Practices Others	

ILO9	<p>The conditions of perfect competition</p> <p>Market supply curve and free entry.</p> <p>The conditions and characteristics of perfect competition</p> <p>The efficiency of perfect markets</p>	3	3	<p>Exercises</p> <p>Assignments</p> <p>Seminars</p> <p>Projects</p> <p>Practices</p> <p>Others</p>	<p>It is recommended that the instructor uses practical example of local industry where the students can discuss the extent to which the given industry fulfill the conditions of perfect competition.</p>
ILO10	<p>Monopoly</p> <p>Sources of monopoly</p> <p>The production decision of a monopolistic firm</p>	1.5	1.5	<p>Exercises</p> <p>Assignments</p> <p>Seminars</p> <p>Projects</p> <p>Practices</p> <p>Others</p>	<p>Students should be asked to search the internet for find examples of a monopolistic industry, and identify the sources of monopolistic power.</p>

6. Assessment Criteria (Related to ILOs)

ISC	Interactive Synchronized Collaboration		Ex	Exams		Rpt	Reports
PF2F	Presentations and Face-to-Face Assessments		PW	Practice Work			

ILO Code	ILO	Intended Results	Assessment Type				
			ISC	PW	Ex	PF2F	Rpt
ILO1	<p>Familiarize with the basics of economic way of thinking.</p> <p>Appreciate the importance of Incentives</p> <p>Identify basic economic systems.</p> <p>The behavioral hypothesis of profit</p> <p>Understand the nature and importance of profit</p>		X		X		
ILO2	<p>Understand the concept of marginal Analysis</p> <p>Understand the method of marginal analysis in decision-making.</p> <p>Apply marginal analysis and interpret results numerically, geometrically, and using algebra.</p>		X	X	X		
ILO3	<p>Understand the basics of consumer's theory.</p> <p>Understand the economic meaning of utility, marginal utility, total utility, and the law of diminishing marginal utility.</p> <p>Define consumer's equilibrium.</p> <p>Analyze the condition of consumer's equilibrium.</p>		X		X		

ILO4	<p>Understand and depict:</p> <ul style="list-style-type: none"> Demand Demand law Change in demand / quantity demanded Demand determinants Supply curve Supply determinants Market equilibrium Shift and movement along curves Appreciate the power of the theory of supply and demand. 		X		X		
ILO5	<p>Differentiate between elasticity and the mathematical derivative.</p> <p>Calculate and interpret:</p> <ul style="list-style-type: none"> Own price elasticity Cross-price elasticity. Income elasticity <p>Understand and analyze the price effect (income and substitution effect)</p> <p>Comprehension of supply and demand determinants.</p>		X	X	X		X
ILO6	<p>Discuss the effect of public policy using realistic cases.</p> <p>Understand the conditions under which market intervention is more efficient.</p> <p>Discuss the negative results of bad intervention.</p> <p>Appreciate the importance of</p>		X		X		

	<p>careful study of market characteristics before applying the formulation of an intervention policy.</p> <p>Appreciate the power of the theory of supply and demand in analyzing the effect of public policies on markets.</p>						
ILO7	<p>Understand , numerically calculate, and geometrically identify</p> <p>Marginal willingness to pay</p> <p>Consumer's surplus</p> <p>Producer's surplus</p> <p>Analyze the effect of taxation on economic welfare.</p>		X		X		
ILO8	<p>Understand, calculate and depict:</p> <p>Cost, revenue, and profit</p> <p>Costs</p> <p>Cost in the short run</p> <p>Fixed costs</p> <p>Total cost</p> <p>Costs on the long run and the optimum</p>		X	X	X		
ILO9	<p>Identify, differentiate, and describe:</p> <p>Conditions of perfect competition</p> <p>Free entry and market supply curve</p> <p>Equilibrium without free entry</p> <p>Characteristics of perfect competition</p> <p>Market demand curve, and the demand curve facing the competitor</p>		X	X	X		X

	<p>firm</p> <p>Perfect competition and the real world</p> <p>Understand the notion of efficiency.</p> <p>Understand why perfect competition is an ideal system.</p>						
ILO10	<p>Identify and describe:</p> <p>Market power of monopoly</p> <p>Sources of monopoly power</p> <p>Monopoly and profit maximization</p> <p>Production decision</p> <p>Understand why monopoly is a</p> <p>Of market failure.</p>		X	X	X		X

7. Practice Tools:

Tool Name	Description

8. Main References

1. Case and Fair. 2014. Principles of Microeconomics. Prentice Hall.

9. Additional References

1. Snyder and Nicholson. 2010. Principles of Microeconomics: Theory and Extensions. Thomson.