

Learning Objectives:

In this course, students will learn to apply an analytical approach to the study of how individuals and societies deal with the fundamental problem of scarce resources. This approach is applied to everyday decisions faced by individuals as they try to maximize their utility, to businesses that try to maximize profits and to the whole of society as it attempts to use its resources efficiently.

Learning Outcomes:

After completing the course, students should be able to:

- Understand how and why consumers, firms, and markets in the economy function and the factors that determine the prices and quantities of product
- Determine how firms, which face different levels of competition, set the price of their product and choose how much to produce.
- State when and why government intervention in the economy is desirable
- Explain what factors shape people's income and discuss recent trends in income inequality.
- Present reasons why free trade among nations is the best economic policy.
- Demonstrate knowledge about economic decisions made by individuals to maximize their utility, by businesses as they attempt to maximize their profits, and to the whole of society as it attempts to use its resources efficiently.

Course Contents:

This course introduces the definition of economics with special emphasis on the concept of economic efficiency. Methodology of Economics: The significance of terms such as 'principles', 'theories', 'laws', and 'models'. The Economic System: An introduction to the Market System, its characteristics and the functions an economic system is supposed to perform. Market Equilibrium: Forces of demand and supply, their determinants, interaction that leads to equilibrium, changes in market equilibrium. Elasticity of Demand and Supply: The application of demand and supply analysis except in quantitative terms. Concepts of income and cross price elasticity. The Role of Government: The conflict between efficiency and equity, as well as market failure due to public goods, externalities, and natural monopoly. Theory of Production & Cost: The law of supply. The concept of cost in economics. Perfect Competition, monopoly. Pricing and output determination under monopoly and contrast the

results with those obtained under perfect competition.

References:

- a. Campbell R McConnell and Stanley L Brue, Microeconomic
- b. Pindyck, Robert S., and Daniel L. Rubinfeld. Microeconomics. 6th ed. Upper Saddle River, NJ: Pearson Prentice Hall, 2004. ISBN: 9788120329218.