

KUIDSCECO101: INTRODUCTORY MICROECONOMICS

Semester	Course Type	Course Level	Course Code	Credits	Total Hours
I	DSC-Major	100-199	KUIDSC ECO101	4	60

Learning Approach (Hours/ Week)			Marks Distribution			Duration of ESE (Hours)
Lecture	Practical/ Internship	Tutorial	CE	ESE	Total	
4	0	0	30	70	100	2

Course Description:

This course sets foundation for studying the intermediate microeconomics and advanced microeconomics in the forthcoming semesters. The course enables the students to get grip in the microeconomic theory via making the conceptual foundations clear. The course starts with an introduction to microeconomic analysis exploring the basic concepts for better understanding of more advanced theories and moves on to concepts of demand and supply and provides foundations for consumer behaviour analysis at the intermediate level. Foundations of production, cost and revenue analysis are followed in the subsequent module and ends with concepts in factor market and welfare analysis. In brief the course widens the conceptual tool box of an undergraduate student of economics so as to better experience more advanced learning of microeconomics in the forthcoming semesters.

Course Prerequisite: NIL

Course Outcomes:

CO No.	Expected Outcome	Learning Domains
1	Learn the foundational concepts in microeconomics like trade-offs and opportunity cost, nominal and real prices and the so forth for better theoretical understanding	R, U
2	Understand the basic concepts of demand and supply for analysing market dynamics	R, U

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3	Understand the basic concepts of production, cost and revenue for learning the subject in the subsequent semesters	R, U
4	Learn the concepts for analysing factor markets and welfare related concepts for better learning microeconomics at the intermediate and advanced levels	R, U
5	Extend the foundational theoretical tool box of microeconomics for subsequent learning at the intermediate and advanced levels	R, U

**Remember (R), Understand (U), Apply (A), Analyse (An), Evaluate (E), Create (C)*

Mapping of Course Outcomes to PSOs

COs	PSO 1	PSO 2	PSO 3	PSO 4	PSO 5	PSO 6	PSO 7
CO 1	✓						
CO 2	✓		✓				
CO 3	✓		✓				
CO 4	✓		✓				
CO 5	✓						

COURSE CONTENTS

Contents for Classroom Transaction:

M O D U L E	U N I T	DESCRIPTION	HOUR S
1	INTRODUCTION TO MICROECONOMICS		10
	1	Why study Microeconomics?	1
	2	Trinity problems of economic organization	2
		a) What, how and for whom to produce?	
	3	The themes of Microeconomics	3
		a) Trade-offs and opportunity cost with Production Possibility Curve	
		b) Prices and markets	

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		c) Theories and models	
	4	Positive and normative analysis	2
	5	Competitive and non-competitive markets	2
	BASICS OF DEMAND AND SUPPLY		15
2	1	Demand law	4
		a) Demand schedule and demand curve	
		b) Forces behind the downward sloping demand curve	
		c) From individual to market demand curve	
		d) Inverse demand function	
	2	Movement along the demand curve and shift in demand curve	1
	3	Supply law	3
		a) Supply schedule and supply curve	
		b) Forces behind the upward sloping supply curve	
	4	Market equilibrium mechanism	2
		a) Changes in market equilibrium	
	5	Elasticity of demand and supply	4
		a) Price, income and cross elasticity	
		b) Degrees of price elasticity	
		c) Point vs arc elasticity	
		d) Elasticity of supply – degrees of supply elasticities	
6	Effects of government intervention on market – price controls and price support	1	
	FOUNDATIONS OF PRODUCTION, COST AND REVENUE		15
3	1	Production function	3
		a) Total, Marginal and Average Product	
	2	Concepts of cost	6
		a) Fixed, variable and total cost	
		b) Average and marginal cost: relationship between average and marginal cost	
		c) Average Fixed Cost and Average Variable Cost	
		d) Fixed cost vs sunk cost	

		e) Economic cost vs accounting cost	
	3	Link between production and cost – increasing marginal product and decreasing marginal cost	2
	4	Revenue concepts	4
		a) Total, Average and Marginal Revenue	
		b) AR, MR and Price elasticity	
		C) AR as demand curve	
	FACTOR MARKET AND WELFARE FOUNDATIONS		10
4	1	Factor Market	1
		a) factor income vs personal income	
	2	Concepts for analysing factor Market	2
		a) Marginal Physical Product, Value of Marginal Product, Marginal Revenue Product	
		b) Average Factor Cost and Marginal Factor Cost	
		c) MRP curve as factor demand curve	
	3	Factor Price concepts	2
		a) Economic rent and quasi rent, nominal interest and real interest, nominal wages and real wages, concept of profit	
	4	Consumer surplus: concept and illustration with demand curve	3
	5	Producer Surplus: concept and illustration with supply curve	2
5	Teacher Specific Module		10
	Directions: <i>Works based on hypothetical tables from Schaum's Outlines</i>		
	This module would be set as a work-based module preferably keeping Schaum's outlines as basic reference. The content may be based on the theoretical modules from 1 to 4 already in the syllabus or any other topic so as to give better conceptual foundations in Microeconomic theory		

Essential Readings:

1. Pindyck R. S., Rubinfeld, D. L., & Mehtha P L. *Microeconomics*. Pearson Education. Latest Edition
2. Samuelson. P. A and Nordhaus. W. D (2010) *Microeconomics*, Nineteenth Edition, McGraw Hills Irwin
3. Salvatore. D, *Schaum's Outlines, Basic Microeconomics*, McGraw Hill Publications, Latest Edition

Reference Distribution:

Module	Unit	Reference No.	Remarks
1	1	Essential Reading 1	-
	2	Essential Reading 2	-
	3	Essential Reading 1	-
	4	Essential Reading 1	-
	5	Essential Reading 1	-
2	1	Essential Reading 1	-
	2	Essential Reading 2	-
	3	Essential Reading 3	-
	4	Essential Reading 2	-
	5	Essential Reading 2	-
	6	Essential Readings 2 and 1	-
3	1	Essential Readings 1 and 2	-
	2	Essential Readings 1 and 2	-
	3	Essential Readings 1 and 2	-
	4	Essential Readings 1 and 2	-
4	1	Essential Reading 1	-
	2	Essential Reading 1	-
	3	Essential Reading 1	-
	4	Essential Reading 1	-
	5	Essential Reading 1	-
5	-	Essential Reading 3	Preferably

Suggested Readings:

1. Mankiw. G, Principles of Microeconomics, Cengage-MindTap, Latest Edition
2. Salvatore. D, Principles of Microeconomics, Oxford International, Latest Edition

Assessment Rubrics:

Evaluation Type		Marks
End Semester Evaluation		70
Continuous Evaluation		30
a)	Test Paper- 1	10
b)	Test Paper-2	10
c)	Assignment	5
d)	Seminar	5
e)	Book/ Article Review	-
f)	Viva-Voce	-
g)	Field Report	-
Total		100