

## Introduction to Economics

### INDENTED LEARNING OUTCOMES

After studying this course the student will be able to understand:

1. The Economic problem of allocation and distribution of resources.
2. The factors that determine demand and supply
3. The concept of elasticity of demand and supply
4. Analyze the effect of market structure on firm behavior
5. Analyze efficiency and the role of government in promoting and deterring efficiency
6. The concept of derived demand for labor and capital
7. The existence of impact of externalities
8. Income distribution and “fairness”.

### COURSE CONTENT

<b>Week 01, 02</b>	<b>BASIC ECONOMIC CONCEPTS</b> <ul style="list-style-type: none"><li>• Economics: Basic Themes and Nature</li><li>• Micro versus Macro Economics</li><li>• Positive versus Normative economics</li><li>• Economic problem of resource allocation</li><li>• Economics relevance to business organizations</li></ul>
<b>Week 03, 04</b>	<b>DEMAND AND SUPPLY ANALYSIS</b> <ul style="list-style-type: none"><li>• The demand function.</li><li>• Changes in demand.</li><li>• The supply function.</li><li>• Changes in supply.</li><li>• Equilibrium of Supply &amp; Demand</li><li>• Elasticity of demand/supply and its measurement.</li></ul>
<b>Week 05, 06</b>	<b>APPROACHES TO UTILITY ANALYSIS</b> <ul style="list-style-type: none"><li>• Cardinal approach and consumer equilibrium.</li><li>• Ordinal approach and consumer equilibrium.</li><li>• Price, Income and Substitution effects on consumer equilibrium.</li></ul>
<b>Week 07, 08</b>	<b>PRODUCTION ANALYSIS</b> <ul style="list-style-type: none"><li>• Basic production concepts.</li><li>• Total, Average and Marginal Product</li><li>• Returns to scale.</li><li>• Short-run and long-run production.</li><li>• Least-cost factor combination.</li><li>• Producer equilibrium.</li></ul>

<b>Week 09, 10</b>	<b>COST AND REVENUE ANALYSIS</b> <ul style="list-style-type: none"> <li>• Various cost concepts.</li> <li>• The cost of production: Short-run cost, long-run cost.</li> <li>• Revenue and revenue curves: Total, average and marginal revenues.</li> <li>• Profit-Maximization</li> </ul>
<b>Week 11, 12</b>	<b>MARKET STRUCTURES AND PRICING</b> <ul style="list-style-type: none"> <li>• Market and its forms.</li> <li>• Price and out-put under perfect competition.</li> <li>• Price and out-put under monopoly, duopoly, oligopoly and monopolistic competition.</li> </ul>
<b>Week 13, 14</b>	<b>RESOURCE ALLOCATION</b> <ul style="list-style-type: none"> <li>• Role of the government in market efficiency.</li> <li>• The theory of Marginal Productivity.</li> <li>• Market demand for resources.</li> <li>• Existence of impact of externalities</li> <li>• Income distribution and fairness</li> </ul>
<b>Week 15</b>	Project/Revision

### TEXT/REFERENCE BOOKS

1. *David M. Winch, Micro Economics: Problems and Solutions, Oxford University Press. (Latest Edition)*
2. Mc Connell & Brue, Economic 15<sup>th</sup> Edition., McGraw Hill, INC
3. Muhammad Hussain Choudhry, Economic Theory Volume 1, Caravan Book House, Lahore 2002.
4. Ruffin and Gregory, Principles of Economics, Illionois: Scott Foresman and Company, (Latest Edition).
5. Samuelson and Nordhaus, Economics, New Delhi, Tata McGraw Hill, (Latest Edition).
6. Scott and Nigro: Principles of Economics, New York; Macmillan Publishing Co., Inc., (Latest Edition).