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**King saud university**

**College of business administration**

**Course Specification: Microeconomics (ECON- 101)**

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| **Subject Coordinator:** Dr. Md. Izhar Alam |
| **Instructor:** | Dr. Md. Izhar AlamDr. Mohd. Imran | **Instructor title:** | Asstt. Professor |
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| **Required Topics** | **Credit hrs** | **Week** |
| 1. **Basic Economics:**
* Basic facts and concepts of economics;
* Definitions: Adam Smith, Marshall & Robbins;
* Basic Economic Problems;
* Microeconomics & Macroeconomics;
* Positive economics & Normative economics;
* Partial equilibrium & General equilibrium;
* Review Questions
 | **2** | **1** |
| 1. **Demand Analysis:**
* Meaning and features of demand;
* Factors affecting/determining demand;
* Demand Function;
* Law of Demand;
* Reasons behind downward slope of demand curve;
* Exceptions to the Law of Demand;
* Complementary goods & Substitute goods;
* Demand and Income of the Consumers;
* Demand and Consumer Taste;
* Change in Quantity Demanded (Movement) Vs Change in Demand (Shift) Curve;
* Review Questions.
 | **5** | **2** |
| 1. **Supply Analysis:**
* Meaning;
* Law of Supply;
* Reasons behind Upward Sloping Supply Curve;
* Factors determining Supply;
* Supply Function; Change in Quantity Supplied (Movement) Vs Change in Supply (Shift);
* Review Questions
* **Market Equilibrium:** Market equilibrium through different situations of demand and supply.
 | **3** | **1** |
| **Quiz Exam.** | **10 marks** |
| 1. **Elasticity of Demand:**
* Meaning of elasticity;
* Formula;
* Determinants;
* Different types of ed;
* Measurement methods- Outlay or Expenditure Method; Percentage Method, & Geometric Method;
* Point elasticity Vs Arc elasticity;
* Applications of elasticity;
* Relationship between Price elasticity of demand and Revenue; Importance of Price elasticity of demand;
* Income elasticity;
* Cross elasticity;
* Review Questions.
 | **6** | **2** |
| **Mid- Term Exam- I (Chapter 1 to 4)** | **15 marks** |
| 1. **Elasticity of Supply**:
* Meaning;
* Formula;
* Determinants
* Different types of es;
* Measurement Methods- *Percentage Method, & Geometric/diagrammatic Method;*
* Review Questions
 | **3** | **1** |
| 1. **Consumer Theory:**
* Utility Analysis:
* Cardinal Utility Analysis-
* Meaning, Law of Diminishing Marginal Utility;
* Law of Equi Marginal Utility; and
* Consumer Equilibrium.
* Ordinal Utility Analysis-
* *Indifference Curve Analysis- I:*
* Meaning of Indifference Curve;
* Assumptions;
* Nature of Consumer Preference;
* Marginal Rate of Substitution;
* Budget Line;
* Consumer Equilibrium;
* Review Question.
* *Indifference Curve Analysis II:*
* Price Effect;
* Income Effect;
* Substitution Effect- Hicksian & Slustky Substitution effect; Price Consumption curve;
* Consumer Surplus;
* Revealed Preference Theory;
* Review Questions.
 | **10** | **3** |
| **Mid- Term Exam- II (Chapter 5 & 6)** | **15 marks** |
| 1. **Theory of Production:**
* Production function- Production in the short- run- TP, AP, MP curves & relationships;
* Law of Variable Proportion- DMR;
* Production Function in Long Run- Two variable inputs- Isoquants;
* Features of isoquants;
* Iso- cost Line;
* Producer’s Equilibrium;
* Expansion Path;
* Elasticity of substitution;
* Returns to Scale- Economies and Diseconomies of Scale; Review Questions
 | **8** | **3** |
| 1. **Theory of Cost:**
* Cost function;
* Different cost concepts;
* Cost in the short- run;
* Relationships among different costs;
* Cost in the long- run;
* Relationship between production and cost curves;
* Review Questions
 | **6** | **2** |
| **Assignment** | **20 marks** |
| 1. **Forms of Market & Price Determination:**
* *Forms of Market/ Competition:*
* Perfect competition;
* Monopoly: Price discrimination;
* Monopolistic competition;
* Oligopoly;
* *Price determination under:*
* Perfect compt.,
* Monopoly &
* oligopoly;

Review Questions | **7** | **2** |
| 1. **Welfare Economics:**
* Criteria of social welfare: GNP; Bentham’s criterion; cardinal criterion;
* Pareto- optimality;
* Kaldor- Hicks compensation criterion;
* Bergson’s criterion of social welfare function;
* Scitovsky Paradox;
* Review Questions
 | **3** | **1** |
| **Final Exam.** |  |