****

**King saud university**

**College of business administration**

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Subject Coordinator:** Dr. Md. Izhar Alam | | | |
| **Instructor:** | Dr. Md. Izhar Alam  Dr. Mohd. Imran | **Instructor title:** | Asstt. Professor |
| **Office:** | F 091 F092 | **Phone:** | 1195; 1171 |
| **Teaching Hours:** | 53 | **Email:** | [*mialam@ksu.edu.sa*](mailto:mialam@ksu.edu.sa)  [*myunus@ksu.edu.sa*](mailto:myunus@ksu.edu.sa) |

|  |  |  |
| --- | --- | --- |
| **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.** |  | |