

MID-WESTERN UNIVERSITY, FACULTY OF MANAGEMENT
BACHELOR IN BUSINESS ADMINISTRATION (BBA), SYLLABUS 2072 (2016)

Course Title		Microeconomics
Course Code Number		MGT 314
Year/Semester		I/I
Credit Hours		03
Course Objectives:		
Main Objective		This is an introductory course in microeconomics, which covers the fundamental theories of the consumer, the firm, and markets. This course will cover the area of economics commonly defined as microeconomics which is concerned with the individual parts of the economy such as individual businesses or industries, individual consumers, and individual products.
Enabling Objectives		After completion of all the learning units of the course, participants will be able to: <ul style="list-style-type: none"> • Understands the fundamentals of micro economic theory. • Underst the principles of economics that apply may to the functions of individual decision makers, both from consumers and producers perspectives.
Learning Unit (LU)	Learning Hours (LH)	Contents
LU 1	LH 3	Introduction Scarcity, Choice and Alternatives, Micro economics:-Meaning, Scope and Types, Basic Concepts:- Positive and Normative Economics, Economic Models, Equilibrium, Application of micro economics in Business Decision Making.
LU 2	LH 8	Theory of Demand Supply and Equilibrium Price Demand function, Movement along a demand curve and shift in demand curve, Supply function, Movement along a supply curve and shift in supply curve, Determination of Equilibrium price, Applications:- Effects of Government policies on Equilibrium price (tax, subsidy, price floor, price ceiling) Price Elasticity of Demand:-Meaning, Degrees and its Measurement (Total outlay method, percentage, Arc and point methods), Application in Business Decision Making, Income Elasticity of Demand:- Meaning , Degrees and its measurement (Percentage, Arc and point methods), Cross Elasticity of Demand:- Meaning, Degrees, and its measurement (percentage and Arc methods), Price Elasticity of Supply:- Meaning, Degrees, and its measurement (percentage, Arc and point methods), Numerical case studies
LU 3	LH 8	Theory of Consumer's Behaviour Cardinal Utility Analysis: - Assumptions, Consumer's Equilibrium, Applications, Ordinal Utility Analysis (Indifference curve Analysis):-

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		Assumptions, Properties, Budget Line, Consumer's Equilibrium, price Effect and Income Effects : Normal and Inferior Goods, substitution Effect, Decomposition of price Effect on Income and Substitution Effects, Applications:- Tax and Subsidy , Income leisure choice of worker, Numerical Case Studies
LU 4	LH 13	Theory of Firm Production Analysis:- Production Function(with Cobb – Douglas production Function), Production Function with one Variable Input, ISO-quant: MRTS, properties, ISO-cost Line and optimal Employment of Two Inputs, Laws of Returns to Scale, Economies of scope, Numerical Case Studies cost and cost curves, Numerical case studies, Various concepts of cost (Explicit and Implicit costs, opportunity cost, Accounting and Economic costs), Behaviour of short- run Average and Marginal cost curves, Behaviour of Long- run Average and Marginal cost curves, Concept of Economies and Diseconomies of scale concept of L- shaped LAC . Numerical Case Studies
LU 5	LH 9	Theory of Product Pricing Business profit VS Economic profit, profit Maximization and Equilibrium of Firm (TR-TC Approach and MR-MC Approach), Perfect Competition:- Characteristics, Short-run and Long-run Equilibrium, Monopolistic Competition:- Characteristics, Short-run and Long-run Equilibrium, :- Characteristics, Short- run and Long-run Equilibrium, Price Discrimination:- Conditions and Degrees, Oligopoly: - Characteristics, Concept of Cartel and Price Leadership, Numerical Case Studies.
LU 6	LH 7	Theory of Factor Pricing Modern Theory of Rent, Marginal Productivity Theory of Wages, Loan -able Funds and Liquidity preference Theories of Interest, Dynamic and Innovation Theories of profit, Earnings and Discrimination, Determinants of Equilibrium wages, The Economics of Labour Market Discrimination, Minimum Wage Laws, Unions and Efficiency of Wages,
References		<ol style="list-style-type: none"> 1. Kreps, D. (2009) Micro economics of Managers, 1st edition Viva Books Ltd. 2. Dwivedi, D.N. (2008) Managerial Economics, 7th edition , Vikas publishing House 3. Samuelson, P and N Nordhaus W.(2009) Economics, 18th Edition ,Mc Graw Hill education

Net Contact Hour is 48 excluding the exams and tests.

evaluation Module: 50 percent will be assessed through the internal evaluation and 50 percent will be assessed through end semester examination