

# Department of Economics

Course Name: **Intermediate Microeconomics**

Semester: **Spring 2023**

Course Code: **Econ 201**

Course Type: **Core**

Course Credits: **3 (3-0)**

Class Timings:

**11:00 – 11:50**

**Monday, Wednesday & Friday**

Section: **B**

Place: **E205**

Instructor Name:

**Dr. Tanvir Ahmed**

Pre-requisites: **Econ 101 & Econ 103**

## A Note from the Instructor:

I have been an HEC Approved Ph.D. supervisor since 2017, and have more than 18 years of teaching and research experience in various Pakistani Universities. Before joining as a Professor of Economics, I served as Associate Professor at Forman Christian College (A Chartered University), Lahore, Assistant Professor and Lecturer at Government College University, Faisalabad, and Lecturer at University of Agriculture, Faisalabad. I taught several courses at undergraduate and postgraduate levels in FCC. Besides teaching, I supervised research theses of M.Sc. Economics and MPhil Applied Economics students on various socioeconomic issues, published/presented articles in various international and national journals/conferences, and worked as PI/Co-PI in research projects funded by national and international agencies. I traveled abroad several times during my professional career to share my research with international scholars and get training from them.

## Instructor Contact Details

**Office Location:** Business and Social Sciences Building, Room # 006

**Email:** [tanvirahmed@fccollege.edu.pk](mailto:tanvirahmed@fccollege.edu.pk)

**Website:** <https://sites.google.com/site/tanvirahmedphd/>

**Other:** 042-99231581-88 Ext. 400

**Office Hours (face to face and/ or online):** Monday, Wednesday & Friday (09:30 -10:45)

Monday & Wednesday (12:00 – 12:45)

or by appointment

**Guidelines for online office Hours:** Zoom meetings can be arranged at the student's request during the stipulated time for office hours. A student will email at least an hour before the meeting to access a personalized zoom link for online discussion during office hours.

## Course Description:

Intermediate Microeconomics is a core course in the BS Economics program and is a continuation of Principles of Microeconomics. By using mathematical models, it analyzes consumer and producer theories, firm behavior under perfect and imperfect market structures, and the market of inputs in perfect and imperfect competitive

environments. Topics covered in this course will provide the foundation for advanced-level courses in BS Economics.

**Pre-requisites:** Econ 101 & Econ 103

**Mode of Instruction (Asynchronous/Synchronous):**

- On-campus class (synchronous)
- Email and moodle (asynchronous)

**Main Mode of Instruction:** In-person, email, Moodle

**Technology Requirements:**

- Moodle/email will be the mode of communication with students to assign tasks and activities.
- Lectures will be delivered in class for students by using a whiteboard/projector.
- Handouts, PPTs, etc., will be shared through moodle.
- Students should access their official email and moodle account regularly.
- Submission of activities will be made through moodle or email, or by hand.

**Considerations for Students with Limited Internet/Technology Access:** Students with limited internet facilities can access the teaching material through their email and moodle accounts.

**Course Objectives**

The prime objective of the course is the mathematical exposition of economic decision-making units, i.e., consumers, producers, etc. More specifically, this course aims to:

1. Understand the microeconomic theory at the intermediate level
2. Explain the standard microeconomic theory by using mathematics.
3. Analyze the economic behavior of individuals and explore the responsiveness of consumers to changes in the price of a good or service, the price of other goods and services, and consumers' income.
4. Analyze the economic behavior of firms and compare the different costs structures of production and their effect on short and long-run decisions of the firm and industry
5. Evaluate the price decisions and strategies of firms under competitive and non-competitive markets.

**Learning Outcomes:**

After the successful completion of the course, the students will be able to:

1. Measure the responsiveness of consumer demand to changes in the price of a good or service, the price of other goods and services, and consumer income.
2. Explain consumer utility maximization mathematically
3. Explain how market prices are determined and the implications of government interventions on market equilibrium.
4. Estimate elasticities of demand.
5. Compare the short and long-run decisions of firms and industries about production.
6. Explain cost minimization and profit maximization by firms mathematically
7. Analyze profit maximization of firms under competitive and non-competitive markets.
8. Understand the decision-making strategies in the factor market

### **Course Content, Learning Material & Activities Schedule**

The schedule is tentative because it is not possible to anticipate exactly how much time each topic will require. Please check out the online resources and alternate options for instructional tasks as linked below during the course.

<b>Wk</b>	<b>Course Objectives/ Student Learning Outcomes (SLOs)</b>	<b>Topic/ Title</b>	<b>Instructional Material (OERs) &amp; Relevant Technology</b> (material or links or videos etc)	<b>Assessment &amp; Rubrics</b> (with the due date)	<b>Teaching-Learning Activities</b>
1		Introduction to Microeconomics. An overview of basic concepts studied in Microeconomics			Lecture/ Discussion
2	SLO – 1	<b>BUDGET CONSTRAINT:</b> Two goods are enough, Properties of the budget set, Changes in budget line, Exploring the impacts of taxes, subsidies, and rationing.	<ul style="list-style-type: none"> <li>Chapter 2 of the recommended book</li> <li>Slides</li> </ul>		Lecture/ Class activity/ Discussion
3	SLO – 1 & 2	<b>PREFERENCES:</b> Consumer preference, Assumptions about preferences, Indifference curves, Examples of Preferences. Well behaved preferences, Marginal rate of substitution (MRS), Interpretations, and behavior of MRS  <b>UTILITY:</b> Cardinal utility, Constructing a utility function, Marginal utility, and MRS	<ul style="list-style-type: none"> <li>Chapter 3 and chapter 4 of the recommended book</li> <li>Slides</li> </ul>	Quiz - 1 (Wk – 3, Wednesday)	Lecture/ Assessment/ Class activity/ Discussion
4	SLO – 1 & 2	<b>CHOICE:</b> Optimal Choice, Perfect Substitutes, Compliments, Cobb-Douglas Utility Function. Estimating utility functions, Choosing taxes, Effect of Taxes and Subsidies on utility/welfare  <b>DEMAND:</b> Normal and inferior goods, Engel curves, Price offer curve, and Giffen good case	<ul style="list-style-type: none"> <li>Chapter 5 and chapter 6 of the recommended book</li> <li>Slides</li> </ul>		Lecture/ Class activity/ Discussion

5	SLO – 3	THE MARKET: Model building approach in microeconomics, Demand and supply models	<ul style="list-style-type: none"> <li>• Chapter 1 of the recommended book</li> <li>• Slides</li> </ul>	Assignment - 2 (Wk – 6, Monday)	Lecture/ Assessment/ Class activity/ Discussion
6	SLO – 1	SLUTSKY EQUATION: Substitution effect, Income effect, Changes in demand, The law of demand, Some examples, Slutsky and Hicksian approaches (ordinary, inferior, Giffen Goods)	<ul style="list-style-type: none"> <li>• Chapter 8 of the recommended book</li> <li>• Slides</li> </ul>	Quiz - 2 (Wk – 6, Friday)	Lecture/ Assessment/ Class activity/ Discussion
7	SLO - 3 & 4	CONSUMER'S SURPLUS: Consumer surplus and producer surplus, MARKET DEMAND: Market demand and elasticity, Some implications	<ul style="list-style-type: none"> <li>• Chapter 14 and chapter 15 of the recommended book</li> <li>• Slides</li> </ul>		Lecture/ Class activity/ Discussion
8	SLO – 3	EQUILIBRIUM: Market equilibrium, Taxes, Deadweight loss, Pareto efficiency	<ul style="list-style-type: none"> <li>• Chapter 16 of the book</li> <li>• Slides</li> </ul>	Mid-exam (Wk – 8, Monday)	Lecture/ Assessment/ Class activity/ Discussion
9	SLO – 1 & 5	<p>INTERTEMPORAL CHOICES: Preferences for consumption, Comparative statistics, Slutsky equation, and intertemporal choices.</p> <p>TECHNOLOGY: Inputs and outputs, Technological Constraint, Examples of technology, Properties of technology, Marginal product, Technical rate of substitution, Diminishing marginal product, Diminishing technical rate of substitution, Long run, and short-run, Returns to scale</p>	<ul style="list-style-type: none"> <li>• Chapter 10 and chapter 19 of the recommended book</li> <li>• Slides</li> </ul>		Lecture/ Class activity/ Discussion

10	SLO – 5, 6 & 7	<p><b>PROFIT MAXIMIZATION:</b> Profits, Short-run profit maximization, Long run profit maximization, Profit maximization, and returns to scale</p> <p><b>COST MINIMIZATION:</b> Long-run and short-run costs. Fixed and quasi-fixed costs, Sunk costs.</p> <p><b>COST CURVES:</b> Average costs, Marginal costs, Variable costs</p>	<ul style="list-style-type: none"> <li>• Chapter 20, chapter 21, and Chapter 22 of the recommended book</li> <li>• Slides</li> </ul>	Quiz - 3 (Wk – 10, Wednesday)	Lecture/ Assessment/ Class activity/ Discussion
11	SLO – 7	<p><b>FIRM SUPPLY:</b> Market environments, Pure competition, Supply decisions of a competitive firm, Profits, Long run supply curve of a firm, long-run constant marginal cost.</p> <p><b>INDUSTRY SUPPLY:</b> Short-run industry supply, Industry equilibrium in the short run, Industry equilibrium in the long run, Long run supply curve, Taxation in the long run, and short-run</p>	<ul style="list-style-type: none"> <li>• Chapter 23 and chapter 24 of the book</li> <li>• Slides</li> </ul>		Lecture/ Class activity/ Discussion
12	SLO – 7	<p><b>MONOPOLY:</b> Maximizing profits, Linear demand curve, and monopoly, Impact of taxes on monopolist, Inefficiency of monopoly, Deadweight loss of Monopoly</p> <p><b>MONOPOLY BEHAVIOR:</b> Price discrimination Degrees of price discrimination, Monopolistic competition</p>	<ul style="list-style-type: none"> <li>• Chapter 25 and chapter 26 of the recommended book</li> <li>• Slides</li> </ul>	Assignment - 2 (Wk – 13, Monday)	Lecture/ Assessment/ Class activity/ Discussion

13	SLO – 7	OLIGOPOLY: Choosing strategy, Quantity leadership Model, Price leadership Model	<ul style="list-style-type: none"> <li>Chapter 28 of the recommended book</li> <li>Slides</li> </ul>	Quiz - 4 (Wk – 13, Friday)	Lecture/ Assessment/ Class activity/ Discussion
14	SLO – 8	FACTORS MARKET: Monopoly in the output market. Monopsony	<ul style="list-style-type: none"> <li>Chapter 27 of the recommended book</li> <li>Slides</li> </ul>		Lecture/ Class activity/ Discussion
15	Final Exam				

### **Textbooks, Materials, Supplies and other**

#### **Recommended Book:**

- Varian, Hal. R. Intermediate Microeconomics, 9<sup>th</sup> Edition, W. W. Norton & Company, New York.

#### **Supplementary Book:**

- Nicholson, Walter and Christopher Synder. Microeconomic Theory Basic Principles & Extensions, 12<sup>th</sup> Edition, Cengage Learning.
- Jeffrey M. Perloff, Microeconomics: Theory and Application with Calculus, 5<sup>th</sup> Edition, Pearson Education, Inc.

#### **Course Requirements:**

**Assignments:** Assignments will be handed over to students after completing the topic. It will be based upon the topics covered in the classes and will include end chapter questions and instructor-designed questions. Students will prepare a handwritten document for each assignment after its notification and submit its solution within the due date. Late submissions without valid justification will not be accepted.

All students will abide by University Academic Integrity policies for assignments. Any violation (cheating during assessment, plagiarism, falsifying the data) by the student will be reported to the Academic Integrity Committee.

#### **Quizzes & Exams:**

Quizzes will be conducted on the announced date.

Students will ensure their presence in quizzes, midterm, and final exams.

Students should not use any helping material in exams. Copying in exams will result in an F grade.

The course covered in the midterm exam will also be included in the final term exam.

#### **Make-Ups:**

No make-up quizzes and final exam will be arranged for students who miss them on scheduled days. However, the mid-exam will be arranged for students who face family or personal emergencies and will notify me within 24 hours afterward.

## Grading Legend

Below is the grading legend of FCCU (published in all catalogues and available on the FCCU website) as approved by the Academic Council:

Grades	Quality Points	Numerical Value	Meaning
A	4.00	93-100	Superior
A-	3.70	90-92	
B+	3.30	87-89	Good
B	3.00	83-86	
B-	2.70	80-82	
C+	2.30	77-79	Satisfactory
C	2.00	73-76	
C-	1.70	70-72	
D+	1.30	67-69	Passing
D	1.00	60-66	
F	0.00	59 or below	Failing
NS	0.00	0.00	Did not show up in class
W	-	-	Officially Withdrawn
AW	-	-	Administrative Withdrawal/Dismissal
AU	-	-	Audit/Listener Status
I	-	-	Incomplete

The entire course is worth 100%, the breakup is as follows:

Assignments:	15% (2 Assignments)
Quizzes:	20 % (4 Quizzes)
Midterm exam:	30 %
Final term exam:	35 %
TOTAL	100%

### Attendance Policy:

Students should attend all lectures. Those students whose attendance falls below 70% will not be allowed to sit in the final examination. Attendance will be marked before the start of the lecture and will not be marked after the lecture.

### 'Out-of-class' Study Requirements:

Students should

- Check their email and Moodle accounts frequently.

- Follow the course outline and read the topic from the recommended text/PPTs/handouts.
- Revise their class lecture regularly to secure a good grade.
- Visit me during office hours if they have any problems during lectures and out of the class study.

**Student Conduct & Other Issues:**

- Students are expected to attend class regularly.
- Be up to date with their readings.
- Be prepared to participate in class discussions.
- Students should submit assignments within the due dates.
- Students must keep their cell phones in silent mode during class.

Please ask questions in class or during office hours if you have any problems. Do not wait until just before an exam to ask questions. Schedule an appointment if you need extra time than the class or office hours.

**Changes to the Syllabus:**

This syllabus was designed to convey course information and requirements as accurately as possible. It is important to note however that it may be subject to change during the course depending on the needs of the class and other situational factors. Such changes would be for your benefit, and you will be notified of them as soon as possible.

**Student Support Services**

Students can contact the [Campus Counseling Center](#) at 0331-444-1518 or [ccc@fccollege.edu.pk](mailto:ccc@fccollege.edu.pk).

[Writing Center](#)

[Mercy Health Center](#)

**Other Useful Policy Documents:**

[Sexual Harassment Policy](#)

[Anti-Corruption Policy](#)

[Academic integrity](#)

[Plagiarism Policy](#)

[Academic Calendar](#)

*I expect that you will strictly follow the core values of FCCU and put your entire efforts to learn as per the course requirements, attend classes, read the textbook(s)/other assigned reading material and do the assignments in the stipulated time period.*