

# Department of Economics

Course Name: **Principles of Microeconomics**

Semester: **Spring 2023**

Course Code: **Econ 101**

Course Type: **Major**

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

Class Timings:

**15:00 – 15:50**

**Monday, Wednesday & Friday**

Section: **C**

Place: **E203**

Instructor Name: **Dr. Tanvir Ahmed**

**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, as Assistant Professor and Lecturer at Government College University, Faisalabad, and as a Lecturer at the 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:**

This course is about the principles of microeconomics. It aims to comprehend various economic phenomena by using microeconomic theories. This course covers supply and demand, consumer behaviour, theory of cost and production, theory of firm under perfect competition and imperfect competition, factor markets, and market

failure. Topics covered in the principles of microeconomics are applied in decision-making by consumers (to maximize utility), businesses (to maximize profits), and producers (to use the available resources optimally and efficiently with minimum cost).

**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**

This course aims to

1. Understand the behaviour of buyers and sellers in the market
2. Explain the behaviour of consumer and producer.
3. Measure the role of elasticities in the determination of price and quantity.
4. Differentiate between short-run and long-run costs of production.
5. Compare various market structures.
6. Evaluate the decision-making process, pricing, and output determination under perfect and imperfect market structures.

**Student Learning Outcomes (SLOs):**

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

1. Describe the concepts of demand and supply and their elasticities.
2. Explain the concept of indifference curves, marginal rate of substitution, and budget constraints.
3. Differentiate among income, price, and substitution effects.
4. Compare average and marginal products, cost curves, and various returns to scale.
5. Distinguish among the law of diminishing marginal returns, isoquants, and isocost line.
6. Analyze profits and revenues of firms in the short and long run under perfect competition, monopoly, monopolistic competition, and oligopoly.

**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.

Wk	Course Objectives/ Student Learning Outcomes (SLOs) No.	Topic/ Title	Instructional Material (OERs) & Relevant Technology  (material or links or videos etc)	Assessment & Rubrics  (with the due date)	Teaching-Learning Activities
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1		<p><b>Introduction:</b> Introduction and rapport building Theme of microeconomics Some basics concepts, and terminologies used in microeconomics</p>	<ul style="list-style-type: none"> <li>Chapter 1 of the recommended book</li> <li>Slides/handouts</li> <li>Videos on Trade-offs <a href="https://www.youtube.com/watch?v=20kI4F6sMxQ">https://www.youtube.com/watch?v=20kI4F6sMxQ</a></li> <li>Economic Models <a href="https://www.khanacademy.org/economics-finance-domain/microeconomics/basic-economic-concepts-gen-micro/economics-introduction/v/economic-models?modal=1">https://www.khanacademy.org/economics-finance-domain/microeconomics/basic-economic-concepts-gen-micro/economics-introduction/v/economic-models?modal=1</a></li> <li>Positive and Normative Statement <a href="https://www.khanacademy.org/economics-finance-domain/microeconomics/basic-economic-concepts-gen-micro/economics-introduction/v/normative-and-positive-statements?modal=1">https://www.khanacademy.org/economics-finance-domain/microeconomics/basic-economic-concepts-gen-micro/economics-introduction/v/normative-and-positive-statements?modal=1</a></li> <li>Perfect and Imperfect Markets <a href="https://www.khanacademy.org/economics-finance-domain/microeconomics/perfect-competition-topic/monopolies-tutorial/v/perfect-and-imperfect-competition?modal=1">https://www.khanacademy.org/economics-finance-domain/microeconomics/perfect-competition-topic/monopolies-tutorial/v/perfect-and-imperfect-competition?modal=1</a></li> </ul>		Lecture/ Discussion/ Videos
2	SLO - 1	<p><b>Demand and supply:</b> Supply and demand Market mechanism Changes in market equilibrium and its impact on equilibrium price and quantity determination</p>	<ul style="list-style-type: none"> <li>Chapter 2 of the recommended book</li> <li>Slides/handouts</li> <li>Videos on Market Mechanism <a href="https://youtu.be/PEMkfgrifDw">https://youtu.be/PEMkfgrifDw</a></li> </ul>		Lecture/ Class activity/ Discussion/ Videos
3	SLO - 1	<p><b>Individual and market demand</b> Derivation of individual and market demand curves <b>Demand and supply:</b> Elasticities of demand and supply Point versus arc elasticity</p>	<ul style="list-style-type: none"> <li>Chapter 2 and chapter 4 of the recommended book</li> <li>Slides/handouts</li> <li>Videos on Price elasticity of demand (Point Elasticity) <a href="https://www.youtube.com/watch?v=FBWJYH8DZ1g&amp;feature=youtu.be">https://www.youtube.com/watch?v=FBWJYH8DZ1g&amp;feature=youtu.be</a></li> <li>Price elasticity of demand (Arc Elasticity)</li> </ul>	Quiz 1 (Wk – 3, Wednesday)	Lecture/ Assessment/ Class activity/ Discussion/ Videos

			<a href="https://youtu.be/sIP8XZ6Nq40">https://youtu.be/sIP8XZ6Nq40</a> Price elasticity of supply <a href="https://youtu.be/wi1x3sYHU6I">https://youtu.be/wi1x3sYHU6I</a>		
4	SLO - 1 & 2	<b>Demand and supply:</b> Short-run versus long-run price elasticities Role of price elasticity in decision making, Effects of government intervention over price controls <b>Consumer Behavior:</b> Introduction to consumer theory	<ul style="list-style-type: none"> <li>Chapter 2 and chapter 3 of the recommended book</li> <li>Slides/handouts</li> </ul>		Lecture/ Class activity/ Discussion
5	SLO - 2	<b>Consumer Behavior:</b> Consumer preferences Budget constraints	<ul style="list-style-type: none"> <li>Chapter 3 of the recommended book</li> <li>Slides/handouts on “Consumer Behavior Part I”</li> <li>Videos on Consumer preferences, budget constraints, and budget line  <a href="https://www.khanacademy.org/economics-finance-domain/microeconomics/choices-opp-cost-tutorial/utility-maximization-with-indifference-curves/v/budget-line?modal=1">https://www.khanacademy.org/economics-finance-domain/microeconomics/choices-opp-cost-tutorial/utility-maximization-with-indifference-curves/v/budget-line?modal=1</a>  Indifference curve and Marginal rate of substitution  <a href="https://www.khanacademy.org/economics-finance-domain/microeconomics/choices-opp-cost-tutorial/utility-maximization-with-indifference-curves/v/indifference-curves-and-marginal-rate-of-substitution?modal=1">https://www.khanacademy.org/economics-finance-domain/microeconomics/choices-opp-cost-tutorial/utility-maximization-with-indifference-curves/v/indifference-curves-and-marginal-rate-of-substitution?modal=1</a> </li> </ul>	Mid 1 (Wk – 5, Wednesday)	Lecture/ Assessment/ Class activity/ Discussion/ Videos
6	SLO - 2 & 3	<b>Consumer Behavior:</b> consumer choices <b>Individual and market demand:</b> Price consumption curve, Income consumption curve Price effect, Income effect, Substitution effect	<ul style="list-style-type: none"> <li>Chapter 3 and chapter 4 of the recommended book</li> <li>Slides/handouts on “Consumer Behavior Part I” and “Consumer Behavior Part II”</li> <li>Videos on Optimal point on the budget line  <a href="https://www.khanacademy.org/economics-finance-domain/microeconomics/choices-opp-cost-tutorial/utility-maximization-with-indifference-curves/v/indifference-curves-and-marginal-rate-of-substitution?modal=1">https://www.khanacademy.org/economics-finance-domain/microeconomics/choices-opp-cost-tutorial/utility-maximization-with-indifference-curves/v/indifference-curves-and-marginal-rate-of-substitution?modal=1</a> </li> </ul>	Assignment 1 (WK – 6, Wednesday)	Lecture/ Assessment/ Class activity/ Discussion/ Videos

			<p><a href="https://www.khanacademy.org/economics-finance-domain/microeconomics/choices-opp-cost-tutorial/utility-maximization-with-indifference-curves/v/optimal-point-on-budget-line?modal=1">opp-cost-tutorial/utility-maximization-with-indifference-curves/v/optimal-point-on-budget-line?modal=1</a></p> <p>Types of indifference curves  <a href="https://www.khanacademy.org/economics-finance-domain/microeconomics/choices-opp-cost-tutorial/utility-maximization-with-indifference-curves/v/types-of-indifference-curves?modal=1">https://www.khanacademy.org/economics-finance-domain/microeconomics/choices-opp-cost-tutorial/utility-maximization-with-indifference-curves/v/types-of-indifference-curves?modal=1</a></p> <p>Price consumption curve, Income consumption curve, price effect, substitution effect, and income effect  <a href="https://www.youtube.com/watch?v=fEAUCgpbwvo">https://www.youtube.com/watch?v=fEAUCgpbwvo</a>  <a href="https://www.youtube.com/watch?v=pLhh_D5b_Lg&amp;t=59s">https://www.youtube.com/watch?v=pLhh_D5b_Lg&amp;t=59s</a></p>		
7	SLO - 4 & 5	<p><b>Production:</b>  Production function, production in the short and long run  Production with one variable  Production with two variables, Returns to scale</p>	<ul style="list-style-type: none"> <li>Chapter 6 of the book</li> <li>Slides/handouts on “Production”</li> <li>Videos on Production function, production in the short and long run,  <a href="https://www.khanacademy.org/economics-finance-domain/ap-microeconomics/production-cost-and-the-perfect-competition-model-temporary/the-production-function/v/introduction-to-production-functions">https://www.khanacademy.org/economics-finance-domain/ap-microeconomics/production-cost-and-the-perfect-competition-model-temporary/the-production-function/v/introduction-to-production-functions</a></li> </ul> <p>Total product, marginal product and average product  <a href="https://www.khanacademy.org/economics-finance-domain/ap-microeconomics/production-cost-and-the-perfect-competition-model-temporary/the-production-function/v/total-product-marginal-product-and-average-product">https://www.khanacademy.org/economics-finance-domain/ap-microeconomics/production-cost-and-the-perfect-competition-model-temporary/the-production-function/v/total-product-marginal-product-and-average-product</a></p>	Quiz 2 (WK – 7, Wednesday)	Lecture/ Assessment/ Class activity/ Discussion/ Videos
8	SLO - 4 & 5	<p><b>Cost:</b>  Basic definitions and various types of cost  Cost in short-run  Cost in the long run</p>	<ul style="list-style-type: none"> <li>Chapter 7 of the book</li> <li>Slides/handouts on “cost of production part I” and “cost of production part II”</li> <li>Videos on Production Cost</li> </ul>		Lecture/ Class activity/ Discussion/ Videos

			<a href="https://courses.lumenlearning.com/boundless-economics/chapter/production-cost/">https://courses.lumenlearning.com/boundless-economics/chapter/production-cost/</a> Long-run and Short-run Cost <a href="http://www.economicdiscussion.net/theory-of-cost/cost-in-short-run-and-long-run-with-diagram/19965">http://www.economicdiscussion.net/theory-of-cost/cost-in-short-run-and-long-run-with-diagram/19965</a> Cost Curves <a href="https://www.youtube.com/watch?v=ucJBO9UTmwo">https://www.youtube.com/watch?v=ucJBO9UTmwo</a> <a href="https://www.youtube.com/watch?v=qYKJdooEnwU">https://www.youtube.com/watch?v=qYKJdooEnwU</a> <a href="https://www.youtube.com/watch?v=C3m9FC3T3vw">https://www.youtube.com/watch?v=C3m9FC3T3vw</a> Relation between the cost curves <a href="https://www.youtube.com/watch?v=LVmPzL-6T64">https://www.youtube.com/watch?v=LVmPzL-6T64</a> Problem Set <a href="https://www.youtube.com/watch?v=BZ76LPk38Ng">https://www.youtube.com/watch?v=BZ76LPk38Ng</a> Cost calculations <a href="https://www.youtube.com/watch?v=3-j-rZ6hz74">https://www.youtube.com/watch?v=3-j-rZ6hz74</a>		
9	SLO - 6	<b>Profit maximization and perfect competition:</b> Conditions for perfect competition, Firm's revenues under perfect competition Conditions for firm's profit maximization, Firm's profit in the short and long run under perfect competition	<ul style="list-style-type: none"> <li>Chapter 8 of the book</li> <li>Slides/handouts on "perfectly competitive market"</li> <li>Videos on Market Structures  <a href="https://www.youtube.com/watch?v=9Hxy-TuX9fs">https://www.youtube.com/watch?v=9Hxy-TuX9fs</a></li> <li>Perfect competition  <a href="https://www.economicsonline.co.uk/Business_economics/Perfect_competition.html">https://www.economicsonline.co.uk/Business_economics/Perfect_competition.html</a>  <a href="https://www.youtube.com/watch?v=5c_dBgYMzCQ">https://www.youtube.com/watch?v=5c_dBgYMzCQ</a>  <a href="https://www.youtube.com/watch?v=Z9e_7j9WzA0">https://www.youtube.com/watch?v=Z9e_7j9WzA0</a> </li> </ul>	Quiz 3 (Wk – 9, Wednesday)	Lecture/ Assessment/ Class activity/ Discussion/ Videos
10	SLO - 6	<b>Profit maximization and perfect competition:</b> Derivation of firm's supply curves under short-run, firm's response to an input price change Industry's long-run supply curve Effect of an output tax	<ul style="list-style-type: none"> <li>Chapter 8 of the book</li> <li>Slides/handouts on "perfectly competitive market"</li> <li>Videos on Short-run and long-run in perfect competition  <a href="https://www.youtube.com/watch?v=krUu_u63MiA">https://www.youtube.com/watch?v=krUu_u63MiA</a> </li> </ul>	Mid II (Wk – 10, Wednesday)	Lecture/ Assessment/ Class activity/ Discussion/ Videos

		on a competitive firm's output and industry output			
11	SLO - 6	<b>The analysis of competitive markets:</b> Evaluating gains and loss from government policies Impact of import quotas and tariff Impact of subsidies and taxes	<ul style="list-style-type: none"> <li>Chapter 9 of the book</li> <li>Slides/handouts on "The Analysis of Competitive Markets"</li> </ul>		Lecture/ Class activity/ Discussion
12	SLO - 6	<b>Imperfect Markets:</b> Monopoly and monopsony: Definition, Sources of monopoly Monopolist's revenue curves, Monopolistic firm's equilibrium Bilateral monopoly	<ul style="list-style-type: none"> <li>Chapter 10 of the book</li> <li>Slides/handouts on "Monopoly and Monopsony"</li> <li>Videos on Monopoly <a href="https://www.youtube.com/watch?v=sTYZgAJ7mT0">https://www.youtube.com/watch?v=sTYZgAJ7mT0</a> Monopoly vs Perfect Competition <a href="https://www.khanacademy.org/economics-finance-domain/ap-microeconomics/imperfect-competition/ap-monopolies-tutorial/v/monopolies-vs-perfect-competition">https://www.khanacademy.org/economics-finance-domain/ap-microeconomics/imperfect-competition/ap-monopolies-tutorial/v/monopolies-vs-perfect-competition</a> Price and output determination under Monopoly <a href="https://www.youtube.com/watch?v=ZtgBXsMYqSQ">https://www.youtube.com/watch?v=ZtgBXsMYqSQ</a></li> </ul>	Assignment 2 (Wk – 13, Wednesday)	Lecture/ Assessment/ Class activity/ Discussion/ Videos
13	SLO - 7	<b>Pricing with market power:</b> First-degree price discrimination Second-degree price discrimination Third-degree price discrimination	<ul style="list-style-type: none"> <li>Chapter 11 of the book Slides/handouts on "Price Discrimination"</li> <li>Videos on price discrimination <a href="https://www.khanacademy.org/economics-finance-domain/ap-microeconomics/imperfect-competition/ap-price-discrimination-tutorial/v/first-degree-price-discrimination">https://www.khanacademy.org/economics-finance-domain/ap-microeconomics/imperfect-competition/ap-price-discrimination-tutorial/v/first-degree-price-discrimination</a> <a href="https://www.youtube.com/watch?v=s3wFJHluJPs">https://www.youtube.com/watch?v=s3wFJHluJPs</a>  <a href="https://www.khanacademy.org/economics-finance-domain/ap-microeconomics/imperfect-competition/ap-price-">https://www.khanacademy.org/economics-finance-domain/ap-microeconomics/imperfect-competition/ap-price-</a></li> </ul>	Quiz 4 (Wk – 13, Wednesday)	Lecture/ Assessment/ Class activity/ Discussion/ Videos

			<a href="#">discrimination-tutorial/v/monopoly-price-discrimination</a>  <a href="https://www.youtube.com/watch?v=tGuvxZkmvP4">https://www.youtube.com/watch?v=tGuvxZkmvP4</a>  <a href="https://study.com/academy/lesson/price-discrimination-definition-types-examples.html">https://study.com/academy/lesson/price-discrimination-definition-types-examples.html</a>		
14	SLO - 6	<b>Imperfect Markets:</b> Monopolistic competition under short-run Monopolistic competition under long run Oligopoly	<ul style="list-style-type: none"> <li>• Chapter 12 of the book</li> <li>• Slides/handouts on “<b>Monopolistic Competition and Oligopoly</b>”</li> <li>• Videos on Price and output determination under Monopolistic competition  <a href="https://www.youtube.com/watch?v=Eu7DCgkdnFw">https://www.youtube.com/watch?v=Eu7DCgkdnFw</a>            Oligopoly and monopolistic competition  <a href="https://www.khanacademy.org/economics-finance-domain/ap-microeconomics/imperfect-competition/monopolistic-competition/v/oligopolies-and-monopolistic-competition">https://www.khanacademy.org/economics-finance-domain/ap-microeconomics/imperfect-competition/monopolistic-competition/v/oligopolies-and-monopolistic-competition</a>            Market structures –self test questions  <a href="http://www.sanandres.esc.edu.ar/secondary/economics%20packs/microeconomics_sl/page_26.htm">http://www.sanandres.esc.edu.ar/secondary/economics%20packs/microeconomics_sl/page_26.htm</a> </li> </ul>		Lecture/ Class activity/ Discussion/ Videos
15	<b>Final exam</b>				

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

**Recommended Book:**

Pindyck, Robert S. and Rubinfeld, Daniel L. (2018) *Microeconomics*, 9<sup>th</sup> Edition, Pearson Education, Inc.

**Supplementary Book:**

Mankiw, Gregory, N. (2018) *Principles of Microeconomics*, Cengage Learning.

**Course Requirements:**

**Assignments:** Assignments will be handed over to students after completing the topic. It will be based on 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)
Mid I exam:	15 %
Mid II exam	20 %
Final term exam:	30 %
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 due dates.
- Students must keep their cell phones in silent mode during the 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*