


AMOU UNIVERSITY
“A Vehicle for Peace and Development”
AMOU UNIVERSITY



FACULTY OF BUSINESS AND PUBLIC ADMINISTRATION
BACHELOR OF BUSINESS ADMINISTRATION PROGRAMME

ACADEMIC YEAR 2015/ 2016

COURSE DESCRIPTION

ECON 2203	Microeconomics
Contact Hours	48
Pre-requisite	N/A
Purpose/Aim	This course will be concerned with fundamental and applied aspects of microeconomic theory. The aim is to further develop and build upon the microeconomics considered in the first year. This will involve introducing new microeconomic concepts and returning to concepts with which students should be familiar from the first year, but examining them in greater depth. The course will examine some modern approaches to microeconomic analysis by addressing aspects of game theory. In particular, major concern will lie with the application of game theoretic models to issues in modern industrial organization. Finally, the course will return to welfare economics and develop a general equilibrium model of the economy and employ it to analyse the issue of Pareto efficiency.
Course Objective	<p>The aim of this course is to develop the basic tools of microeconomic analysis learned in first year. Additionally, at the end of this course students should be able to:</p> <ul style="list-style-type: none"> ▪ Demonstrate how microeconomics can be used to explain and predict household and firm behavior. ▪ Show how households respond optimally to changes in prices and income and how prices and quantities are determined under different types of market structure. ▪ Demonstrate the effect of government policy on household and firm decision making. ▪ Develop problem-solving skills, so reinforcing understanding of microeconomic concepts. ▪ Develop analytical skills by employing standard diagrammatic analysis and reference to the underlying mathematical techniques.
Indicative Learning Outcomes	<p>On completion of the module, students should be able to:</p> <ul style="list-style-type: none"> ▪ Understand and apply basic microeconomic principles to the economic decisions of households and firms under a variety of market conditions;



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	<ul style="list-style-type: none"> ▪ Use these principles both to describe and to appraise these decisions, and should be competent in the verbal, diagrammatic and basic mathematical concepts and techniques used in introductory microeconomics; ▪ Understand the techniques of analysis which are appropriate to intermediate microeconomics and have enhanced their ability to reason logically and accurately; ▪ Appreciate how standard economic techniques can offer insights into various issues; ▪ Translate economic ideas into equation or numerical examples and calculate quantitative answers to economic problems. 												
Intellectual, Practical and Transferable Skills	<p>After completing this course, students should be able to:</p> <ul style="list-style-type: none"> ▪ Work with abstract concepts and in a context of generality; ▪ Reason logically and work analytically; ▪ Select and apply appropriate techniques to solve problems; ▪ Analyses and solve complex problems accurately. 												
Course Content	<p>Scope of microeconomics, Consumer Preferences and Utility, Consumer Choice, Income and substitution effects, Market Demand and elasticity, applications of indifference curve analysis; Theory of the firm; Production functions; isoquants and marginal rate of technical substitution, Returns to scale. Costs and Cost Minimization; Long run and Short run cost minimization. Concept of economies of scale, Baumol’s Theory of sales-revenue maximization; Market structure, Perfect competition, Monopoly (Price discrimination), and Oligopoly. Others are Game theory and strategic behaviour, pricing of factors of production and income distribution, general equilibrium theory and welfare economics.</p>												
Learning & Teaching Methodologies	<p>This course will be taught for a total of 45 hours [i.e. three (3) contact hours per week]. Teaching and learning in this course will be through among others, team-teaching; problem-based approaches; student-centered learning; lectures; in class exercises; own readings; take-home assignments and group exercises.</p>												
Instructional Materials/Equipment	<ul style="list-style-type: none"> ▪ Use of case studies ▪ Class discussions ▪ Straight lecture ▪ Group presentations 												
Course Assessment	<p>The assessment method is structured to include coursework and final examination. Coursework consists of assignments, presentations and tests. Each course in the program shall be assessed on the basis course work and final examination represented as</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Type</th> <th style="text-align: right;">Weighting (%)</th> </tr> </thead> <tbody> <tr> <td>Final Examination</td> <td style="text-align: right;">60</td> </tr> <tr> <td>Mid Term Examination</td> <td style="text-align: right;">20</td> </tr> <tr> <td>Assignment</td> <td style="text-align: right;">10</td> </tr> <tr> <td>Attendance</td> <td style="text-align: right;">10</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">100</td> </tr> </tbody> </table>	Type	Weighting (%)	Final Examination	60	Mid Term Examination	20	Assignment	10	Attendance	10	Total	100
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	The minimum mark required to pass is 50, this includes course work and final examination. Each course in the program is allowed a maximum of three hours for final examination.		
Recommended Reading	Title	Author	Publisher
	<i>Modern Microeconomics</i> , 2 nd edition	Koutsoyiannis (1989)	Macmillan Publishing Co. Hong Kong.
	<i>Microeconomic Theory: Basic Principles and Extensions</i> , 8 th edition	Walter, N (2002)	Thomson Learning London U.K.
	Applied Microeconomics	Mansfield, E. (1999)	W.W. Norton, New York.
Additional Reading	<i>Microeconomic Theory</i> , 3 rd edition	Salvatore Dominick (1992)	McGraw-Hill
Other Support Material	A variety of multimedia systems and electronic information resources as prescribed by the lecturer. Various manuals, URL search and journals.		