

## 10.1 Level 1/Year 1

### 10.1.1 First Semester Course Units Specifications

<b>Course Title</b>	Principles of Microeconomics	
<b>Course Code</b>	ODLCOM1113	
<b>Credit Value</b>	3	
<b>Status</b>	Year 1/Semester 1 /Compulsory	
<b>Notional hours</b>	Independent/Self-directed learning	On site (in class)/Virtual Lectures, Lab sessions, assessments, consultation and guidance
	130	20
<b>Course Aim</b>		
The aim of the course unit is to provide the knowledge on economics concepts, theories, methods of analysis and develop systematic approaches to decision making and enable students to understand and use economic arguments in business decision making.		
<b>Intended Learning Outcomes</b>		
<ul style="list-style-type: none"> <li>– explain the various concepts in economics.</li> <li>– apply economic criteria for efficient resource allocation to a diverse range of dynamic market situations.</li> <li>– analyse changing market conditions in terms of supply, demand, and possible government intervention</li> <li>– formulate appropriate and sustainable organisational responses to changing market condition.</li> <li>– identify the determinants of price elasticity of demand and supply.</li> <li>– discuss the relationship between total revenue and price elasticity of demand.</li> <li>– describe consumer buying decisions with limited income</li> <li>– describe the returns to a variable factor, and Production Function with two variable Factors</li> <li>– explain different concepts in cost theory in short run, and long run.</li> <li>– use economic tools to explain the optimal allocation of resources within the firm.</li> <li>– explain different market structures.</li> <li>– describe the profit-maximizing output of firms in all markets in the short run and long run.</li> <li>– identify the sources of Market Failures</li> <li>– describe pricing of factors, and distribution of income in relation to labour, land, and capital.</li> <li>– describe various theories related to rent, interest, and profit</li> </ul>		
<b>Course Content:</b>		
<b>Introduction to Economic Concepts:</b> The Economic Problem: Scarcity and Choice; Scope of Economics; The Methodology of Economics. <b>Demand and Supply:</b> Demand and Supply Analysis, and Market Equilibrium; Applications of Demand and Supply Analysis. <b>Elasticity of Demand and Supply:</b> Elasticities of Demand and Supply; Applications of Elasticities of Demand and Supply. <b>Theory of Consumer's Behavior:</b> Marshall's Cardinal Utility Analysis; Indifference Curve Analysis of Demand; Cardinal Utility Analysis vs Indifference Curve Analysis; Applications and Uses of Indifference Curves. <b>Theory of Production and Cost:</b> Factors of Production; Returns to a Variable		

<p>Factor; Production Function with two Variable Factors; Least Cost Factor Combination; Technological Choice; Cost of Production and Cost Curves - Short Run and Long Run. <b>Market Structures and Concepts of Revenue;</b> Pricing in Perfect Competition; Equilibrium of the Firm under Perfect Competition; Equilibrium of the Industry and Long-Run Supply Curve under Perfect Competition. Economic Efficiency of Perfect Competition. <b>Price and Output under Monopoly and Imperfect Competition:</b> Price and Output under Monopoly - Price Discrimination, Drawbacks and Remedies for Monopoly. Price and Output under Monopolistic Competition; Price and Output under Oligopoly, Classical Models of Oligopoly. <b>Market Failures and its Sources:</b> Externalities and Market Failure. Theory of Distribution: Pricing of Factors (Inputs) and Distribution of Income; Labor Market; Determination of Wages; Land Market and the Theory of Rent; Alternative Theories of Interest; Theory of Profits.</p>	
<b>Teaching and Learning Methods/Activities</b>	Self-instructional printed/ non printed course materials, audio-visual aids for self-learning, Self-learning assignments, On site (in class) lectures, consultation and guidance, audio and video conferencing for virtual lectures, online learning management systems for teaching learning and assessments, Google Drive and similar collaborative tools, mobile devices, as well as a growing list of social media tools for student engagement and self-learning activities
<b>Assessment Strategy</b>	<p><b>Formative assessment (In-course): 30%</b></p> <ul style="list-style-type: none"> <li>– At least two assessments for 30 Marks</li> <li>– The assessments could take any forms such as classroom assignment, take-home (group or individual) assignment, quiz, presentations, case study, and forum.</li> </ul> <p><b>Summative Assessment: 70%</b></p> <ul style="list-style-type: none"> <li>– End of course written examination is of three-hour duration</li> <li>– Question paper contains eight questions. Students are expected to answer five questions out of eight questions that may include several parts. Total marks are 100.</li> </ul>
<p><b>Recommended Readings:</b></p> <ul style="list-style-type: none"> <li>• Ahuja, H. L. (2019). <i>Advanced Economic Theory</i>. New Delhi: Chand Publishing.</li> <li>• Ahuja, H. L. (2017). <i>Modern Microeconomics: Theory and Applications</i> (19th ed.). New Delhi: Chand Publishing.</li> <li>• Hal R. Varian. (2019). <i>Intermediate Microeconomics: A Modern Approach</i> (9<sup>th</sup> Edition). W W Norton &amp; Company</li> <li>• Koutsoyiannis, A. (2013). <i>Modern Microeconomics</i>. (2<sup>nd</sup> Edition). Palgrave Macmillan U.K. - Palgrave Macmillan.</li> </ul>	