## ECO 1101 INTRODUCTORY MICROECONOMICS

**Short Description**

This course is an introductory course. It introduces students to a wide range of economic concepts. Microeconomics is concerned with how economic systems operate to allocate resources, distribute income, and organize production through the decisions of individual economic agents (e.g. firms and consumers). We will focus solely on the operation of a market economy in this endeavor. In such an economy, markets determine society's production and consumption decisions by transmitting information about the plans of buyers and sellers (consumers and firms). This information appears in the form of market prices, on the basis of which economic agents make decisions regarding the allocation of economic resources between the production of different goods and services: much of microeconomics is concerned with analyzing the efficiency with which such decisions are made. The Unit is designed to provide an introduction to the methods of microeconomic analysis, including the use of simple economic models and their application.

**Aims**

The *aims* of the course are to enable students to derive conclusions from simple economic models and evaluate their realism and usefulness. The course provides students with a thorough grounding in the basic principles of microeconomics and exposure to a range of applications. The course also provides a sound basis in the fundamentals of micro-economics and their application to both theoretical and real world situations. In the ultimate the students develop analytical skills using the major methods of mathematics and diagrams.

**Learning Outcomes**

On completion of this course, students should be able to:

(i) Understand and apply basic microeconomic principles to the economic decisions of households and firms under a variety of market conditions.

(ii) 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.

(iii) Demonstrate a broad knowledge of core areas of economics.

(iv) Reason logically and work analytically.

(v) Justify conclusions using economic arguments with appropriate rigour;

(vi) Communicate effectively and report findings, particularly via tutorial essays, presentations and exercises.

**Intellectual Practical and Transferable Skills**

After completing this course, students should be able to:

(i) Work with abstract concepts and in a context of generality;

(ii) Reason logically and work analytically;

(iii) Select and apply appropriate techniques to solve problems;

(iv) Analyse and solve complex problems accurately.

**Teaching and Learning Pattern**

This course will be taught for a total of 60 hours [i.e. four (4) 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.

**Indicative Content**

The course covers the following topics among others; Basic concepts in economics, economic systems, demand and supply functions, market equilibrium, effects of tax on equilibrium, elasticity of demand and its applications. Others are theory of the consumer and theory of the firm. Theory of costs and variation of costs both in the short-run and long-run, conditions for profit maximization, market structures; perfect competition, monopoly, monopolistic competition and oligopoly, short-run and long-run equilibrium conditions under the different types of market structures and Pricing of factors of production.

**Assessment Method**

This will be through a mid-semester examination (30%) and final examination (70%).

**Indicative Sources**

Frank, R. (2005) *Microeconomics and Behaviour*.6thedition.

Baumol, W.J. Blinder, A. S. Gunther, A.W. and Hicks, J.R.L, *Economics*: *Principles and Policy,* Australian Edition, Harcourt Brace Jovanovich, 1992.

Lipesy, R. G; Steiner, P.O. and Purvis, D. *Economics,* 8th edition, Harper and Row, 1987.

Samuelson, P. A .et al, *Economics,* 13th edition, McGraw-Hill, 1989.

Taylor, J. B and Frost, L. (2002) *Microeconomics* 2nd edition, John Wiley & Sons. Australia.

Colander, D.C. Economics, 5th Edtion, McGraw Hill Irwin, 2004.

Jackson, J and Mclver, R.(2004) Microeconomics, 7th edition, McGraw Hill.

Hyman, D.N. (1992) Microeconomics 2nd ed. IRWIN Boston.