# UNITED INTERNATIONAL UNIVERSITY

# School of Business and Economics

# BSECO Program

**Course Outline: Economics**

**Part A- Introduction**

Course No./ Course Code : ECO4101

Course Title : Economics

Course Type : Core Course

Level/Term and Section : N/A

Academic Session : Summer 2024

Course Instructor : Tanzila Amir

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Room# 336 (B) (Level 3)

Pre-requisite : N/A

Credit Value : 3 Credit Hours

Contact Hours : 3 Hours/Week

Total Marks : 100

**Course Rationale:**This course will cover the different grounds of Economics. It will map out the study of how societies use scarce resources to produce valuable commodities and distribute them among different people, the changes to reflect the shifting trends in economic affairs, in the environment, in the world economy and in the society at large. Introduce Microeconomics, the branch of economics which analyzes the behavior of individual households, firms and markets and Macroeconomics, another essential part of the subject that examines the overall performance of the economy.

**Course Objectives:**

1. Understand basic concepts of economics
2. Apply concepts of economics to real life issues

**Part B: Content of the course**

**Course Content**

**Introduction**:Basic concepts of microeconomics, Ten Principles of Economics

**Thinking Like an Economist:**The Role of Assumptions, Economic Models, Our First Model: The Circular-Flow Diagram,Our Second Model: The Production Possibilities Frontier, Microeconomics and Macroeconomics,The Economist as Policy Adviser,Positive versus Normative Analysis

**The market forces of demand and supply:** Markets and Competition ,What Is a Market? , What Is Competition? , Demand, the Demand Curve: The Relationship between Price and Quantity Demanded, Market Demand versus Individual Demand, Shifts in the Demand Curve

**Elasticity and its Application:** The Price Elasticity of Demand and Its Determinants, Computing the Price Elasticity of Demand, The Midpoint Method: A Better Way to Calculate, Percentage Changes and Elasticities, The Variety of Demand Curves,Other Demand Elasticities

**Supply, Demand, and Government Policies:**

How Price Ceilings Affect Market Outcomes, How Price Floors Affect Market Outcomes, How Price Ceilings Affect Market Outcomes,

**Consumers, Producers, and the Efficiency of Markets:**Willingness to Pay, Using the Demand Curve to Measure Consumer Surplus,

**The cost of Production:**Total Revenue, Total Cost, and Profit ,Costs as Opportunity Costs ,The Cost of Capital as an Opportunity Cost ,Economic Profit versus Accounting Profit ,Production and Costs ,The Production Function ,From the Production Function to the Total-Cost,Curve,The Various Measures of Cost , Fixed and Variable Costs, Average and Marginal Cost,Cost Curves and Their Shapes ,Typical Cost Curves ,Costs in the Short Run and in the Long Run ,The Relationship between Short-Run and Long-Run, Average Total Cost ,Economies and Diseconomies of Scale.

**Firms in competitive market:**What Is a Competitive Market? The Meaning of Competition,The Revenue of a Competitive Firm, Profit Maximization and the Competitive Firm’s Supply Curve ,A Simple Example of Profit Maximization ,The Marginal-Cost Curve and the Firm’s Supply Decision ,The Firm’s Short-Run Decision to Shut Down,The Firm’s Long-Run Decision to Exit or Enter aMarket.

The Short Run: Market Supply with a Fixed Number of Firms, The Long Run: Market Supply with Entry and Exit

**Monopoly:**Monopoly Resources, Government-Created, Natural Monopolies How Monopolies Make Production and Pricing Decisions, Monopoly versus Competition, A Monopoly’s Revenue, Profit Maximization, Monopoly’s Profit ,The Welfare Cost of Monopolies, The Deadweight Loss,The Monopoly’s Profit: A Social Cost?

**Monopolistic competition & Oligopoly:**Between Monopoly and Perfect Competition,Competition with Differentiated Products, the Monopolistically Competitive Firm in the Short Run, The Long-Run Equilibrium, Monopolistic versus Perfect Competition Monopolistic Competition and the Welfare of Society , Basic concepts of Oligopoly , characteristics of oligopoly.

**The Theory of Consumer Choice:**The Budget Constraint: What the ConsumerCan Afford, Preferences: What the Consumer Wants, Representing Preferences with Indifference Curves, Four Properties of Indifference Curves.

**Basic concepts of Macroeconomics:** Objectives and instruments of Macroeconomics, Tools of Macroeconomics

**Measuring a Nations Income:**Circular Flow Model ,The measurement of Gross Domestic Product, Components of GDP, Real GDP vs Nominal GDP, Is GDP a good measure of economic wellbeing, Calculation of GNP, NNP, PI and DPI.

**Measuring the cost of living:** The Consumer Price Index, How CPI is calculated, GDP Deflator vs CPI, Correcting economic variables for the effect of inflation, Nominal interest rate, real interest rate and Fisher effect.

**The Monetary System:** The meaning of Money, Three functions of Money, Characteristic of Money, Kinds of Money, Banks and Money Supply. Fiscal and monetary policy

**Course Learning Outcomes (CLO)**

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

**CLO1**: Apply basic concepts of Micro, Macro and Development Economics in real engineering systems.

**CLO2**: Develop strategies to determine the best price- output combination.

**CLO3**: Develop strategies to determine the best price- output combination.

**CLO4**: Address the nature of products and identify the market strategies accordingly. (For short run and long run)

**CLO5**: Address the nature of products and identify the market strategies accordingly. (For short run and long run)

Mapping of CLOs with Program Learning Outcomes (PLO)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| CLO/PLO | PLO1  **Engineering knowledge** | PLO2  **Problem analysis** | PLO10  **Communication** | PLO11  **Project Management and Finance** | PLO12  **Life Long Learning** |
| CLO1 | √ |  |  |  |  |
| CLO2 |  | √ |  |  |  |
| CLO3 |  | √ |  |  |  |
| CLO4 |  |  | √ |  | √ |
| CLO5 |  |  |  | √ |  |

**Mapping Course Learning Outcomes (CLOs) with the Teaching-Learning& Assessment Strategy**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Week** | **Topic** | **Teaching-Learning Strategies** | **Assessment Strategies** | **Corresponding CLO** |
| **1-2** | Ten principle of Economics | Lecture, Discussion,  Group study for problem analysis | Class test (Short Q and MCQ) or  Quiz, assignment | CLO1, |
| **2-3** | Thinking Like an Economist: | Lecture, Discussion,  Group study for problem analysis | Class test (Short Q and MCQ) or  Quiz, assignment | CLO1 |
| **4** | The market forces of demand and supply | Lecture, discussion ,Question-Answer session | Small case study, understanding sharing and oral presentation | CLO1,2 |
| **5-6** | Elasticity and its Application | lecture discussion with multi-media, panel discussion | Class test (Short Q and MCQ) or  Quiz, Home assignment | CLO2 |
| **6-7** | Supply, Demand, and Government Policies:  Consumers, Producers, and the Efficiency of Markets | Feedback,  lecture discussion with multi-media and also using white board to critically explain the graphs and figures | Class test (Short Q and MCQ) or  Quiz, Home assignment | CLO2 |
| **8** | The cost of Production  Firms in competitive market | Lecture with multi-media, Group discussion for problem analysis | Class test (Short Q and MCQ) or  Quiz, Home assignment | CLO4 |
| **9-10** | Monopoly,Monopolistic competition & Oligopoly  The Theory of Consumer Choice | Lecture with multi-media, Group discussion for problem analysis | Class test (Short Q and MCQ) or Quiz, Home assignment | CLO4 |
| **10-11** | Macroeconomics: National Income, GNP, Gross Domestic Product(GDP), Nominal and Real GDP, AD, AS | lecture discussion with multi-media, Question-Answer session | Problem solving based on the activities done in the previous classes | CLO1,3 |
| **11-12** | Macroeconomic goals and policy options (Fiscal Policy & Monetary Policy),Money: Functions of Money, Value of Money and Policy options  Inflation and Unemployment: Definition, Impact, Causes & relationship | Feedback,  lecture discussion with multi-media, group discussion | Class,Tests, Presentation | CLO4 |

*(Note that two week time is reserved for Midterm and Final Examination)*

**Part C- Assessment and Evaluation**

Assessment Strategy

|  |  |  |
| --- | --- | --- |
| **Assessment Strategy** | **Details** | **Marks** |
| Formative or Continuous Assessment | Attendance and class participation | 5 |
| Quizzes or class tests | 20 |
| Individual and group assignment (may include Project, Report, case studies) and presentation | 5 |
| Summative Assessment | Mid-term Examination | 30 |
| Final Examination | 40 |
| **Total** | | **100** |

Evaluation Policy (Grading System)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Letter Grade** | **Marks** | **Grade Point** | **Letter Grade** | **Marks** | **Grade Point** |
| A (Plain) | 90-100 | 4.00 | C+ (Plus) | 70-73 | 2.33 |
| A- (Minus) | 86-89 | 3.67 | C (Plain) | 66-69 | 2.00 |
| B+ (Plus) | 82-85 | 3.33 | C- (Minus) | 62-65 | 1.67 |
| B (Plain) | 78-81 | 3.00 | D+ (Plus) | 58-61 | 1.33 |
| B- (Minus) | 74-77 | 2.67 | D (Plain) | 55-57 | 1.00 |
|  |  |  | F (Fail) | <55 | 0.00 |
|  |  |  | I (Incomplete) |  |  |

**Make-up Procedures**

Under the unavoidable circumstances, if any student failed to appear the final examination in the scheduled date he/shehas to apply for an “I (incomplete)” grade to his/her course instruction within the scheduled date of examination. Based on the application, course instruction will assign an ‘I’ grate in the final grade sheet against the student(s) who have applied for an ‘I’. When new trimester will begin, program office will announce a15 daysduration for grade change. Within the given time, student will contact the course instruction and appear the make-up final examination. Based on the performance of make-up examination, new grade will be submitted to the program office for approval and latter on examination controller office will replace the ‘I’ grade with the new grade in its result management system and inform the student(s).

**Part D-Learning Resources**

**Text book:** Mankiw, N. G. (2020). Principles of Economics. Engage Learning. Latest Edition

**Reference books:** 1. Microeconomics by Roger Arnold (Latest Edition)

2. Economics, Paul A. Samuelson and William D. Nordhaus, McGraw- Hill, Eighteen Edition (international)

**Other resources:**

Websites, Research and working papers, Newspapers