

BAEC1203 - Principle of Microeconomics

BAEC1203	Principle of Microeconomics	3 Credit Hours
Prerequisites	BAMG1100 (Introduction to Business)	
Goal	To enable the student to acquire a basic understanding of micro-economic concepts and gain the knowledge of how to study the behavior of small economic decision units, concerning the behavior of individuals, household, firms, industries and resource owners.	
Objectives	Outcomes	
The course will enable the student to understand basic microeconomic concepts, areas and tools. Also it will develop an interest in economic issues and problems in a real word environment.	<p>The students should be able to:</p> <ol style="list-style-type: none"> 1. Describe and explain the central economic problems facing any society and the role of scarcity, choice and opportunity cost in those problems. 2. Explain how these economic problems are solved by the price system in a market economy and how the same problems are solved in centrally planned economies. 3. Discuss the applications of the scientific method to economics and distinguish between positive and normative statements. 4. Explain how demand and supply interact to determine prices of goods and services and the quantities exchanged. 5. Apply demand and supply analysis to a variety of topics in a market economy, including problems of price controls and rent controls, minimum wage laws, the effects of taxes and subsidies, and the determination of imports and exports. 6. Describe and explain the relation between cost of production and output produced in the short run and the long run. 7. Distinguish between technological efficiency and economic efficiency. 8. Define the factors (firm size, product differentiation, economies of scale, and barriers to entry) that determine the structure of different markets (perfect competition, monopolistic competition, oligopoly, monopoly). 9. Explain how the market structure affects the behavior and performance of the industry, in particular, the relationship between product price and the cost of production and the efficient use of society's resources. 10. Describe the role of competition policy and the regulation of natural monopolies in economic performance. 11. Explain how individual and family incomes are determined in the economy. 12. Apply the concepts of elasticity to real economic and business problems 	