

Course Title	Principles of Economics			Course Code	BST 21202		
Year	2	Semester	1	Credits	02	Theory (hr)	20
						Practical (hr)	20
						Independent Learning (hr)	

Aim of the Course:

To provide understanding about the basics of economic theory and its applications

Intended Learning Outcomes:

After completion of this course, the learner should be able to:

- Explain the key terms and concepts used in micro and macroeconomic theory.
- Determine the optimum levels of production, cost and price in a given firm.
- Explain the nature of markets available for a product or service.
- Explain the nature and behavior of an economy from macro-point of view.

Course Capsule:

Theory
Concept of resource scarcity; Demand and supply, Market mechanism and price and output determination; Demand and supply analysis; Elasticity and its applications in business; Theory of production: Principles and productivity measurement; Costs of production and cost relationships; Using knowledge in economics for managerial decision-making: Break-even analysis, Profit maximization, Cost minimization, Contribution margin and pricing techniques; Market structures: Monopoly, Oligopoly, Monopolistic Competition, Perfect Competition; Topics in Macroeconomics: GDP, Unemployment, Inflation, Growth Rates, and Interest rates

Practical
Drawing utility functions, Understanding Marginal Rate of Substitution; Graphical derivation of consumer equilibrium; Obtaining demand curve from the utility functions using the concept of consumer equilibrium; Understanding the market equilibrium and the shifts in market equilibrium and its implications to consumers and businesses; Using elasticity concepts in the day to day business decision making; Deriving input-output relationships and product-product relationships; Drawing cost functions to understand the relationship with various cost functions such as Total Cost, Marginal Costs and Average Costs; Finding profit maximizing production and input use in production processes; Using break-even analysis for managerial decisions; Making product pricing decisions using knowledge of economics; Group presentations: Topics in macroeconomics; Group presentations: Topics in macroeconomics

Assessment:

Continuous assessment: 30%
 End semester assessment: 70%