

**KING FAHD UNIVERSITY OF PETROLEUM & MINERALS**  
COLLEGE OF INDUSTRIAL MANAGEMENT  
DEPARTMENT OF FINANCE & ECONOMICS

FIRST SEMESTER: 2012-2013 (121)

Principles of Economics I (Microeconomics) Syllabus

**Course:** Econ 101-03 (SMW), 09:00-09:50 AM, B24/236A

**Instructor:** Dr. Muhammad Saifur Rahman      **Email:** murahman@kfupm.edu.sa  
**Office:** B24/101-2      **Phone:** 03 860 4449

**Office Hours:** SMW 11 AM - 11:30 AM and by appointment

**Textbook:** Principles of Microeconomics, by Case, Fair, and Oster, 9th ed., 2009

**Course Description:** Econ 101 is concerned with the workings of Microeconomics. It defines the economic problem and explains why it exists in each and every society. Further, it analyzes the role of each economic agent or decision maker - - namely, the economic roles played by the households, firms, and government agencies – and their effects on economic activities in the market system.

**Course Objectives:** The course attempts to give students good background in the behavior of the price system in terms of the analysis of demand, supply, price determination, elasticity, consumer behavior, production and costs in different market structures, as well as pricing of factors of production, and knowledge of public goods and externalities.

**Weekly Chapter Topic Outline:**

Week 1	Chap. 1 The Scope and Method of Economics
Week 2	Chap. 2 The Economic Problem: Scarcity and Choice
Week 3	Chap. 3 Demand, Supply, and Market Equilibrium
Week 4	Chap. 4 Demand and Supply Applications [2 sessions]
Week 5	Chap. 5 Elasticity [ approximately 2 sessions]
<b>First Major Exam</b>	<b>Sunday, October 07, 2012 (Building B10 @ 6:00 - 8:00 PM) 25%</b> <b>Five Chapters (1-5)</b>

Week 6	Chap. 6 Household Behavior and Consumer Choice	
Week 7	Chap. 7 The Production Process: The Behavior of Profit-Maximizing Firms	
<b>No Classes</b>	<b>Midterm Vacation [18 Oct - 2 Nov, 2012] .....Classes resume 03 Nov 2012</b>	
Week 8	Chap. 8 Short-Run Costs and Output Decisions	
Week 9	Chap. 9 Long-Run Costs and output Decisions	
Week 10	Chap 10 Input Demand: The Labor and Land Markets	
<b>Second Major Exam</b>	<b>Sunday, December 09, 2012 (Building B10 @ 6:00 – 8:00 PM)</b>	<b>25%</b>
	<b>Five Chapters (6-10)</b>	
Week 11	Chap 11 Input Demands: Capital Market & Investment Decisions	

Week 12	Chap 12 General Equilibrium and the Efficiency of Perfect Competition	
Week 13	Chap 13 Monopoly and Antitrust Policy	
Week 14	Chap 14 Oligopoly	
Week 15	Chap 15 Monopolistic Competition	
<b>Final Exam</b>	<b>Wednesday, 02 January, 2013 (7.00 PM - ?)</b>	<b>30%</b>
	<b>Five Chapters (11-15) Place: TBA</b>	

### Grading System:

1. **Two Major Exams – 1st and 2nd -- (25% each): 50%**
2. **Final Exam: 30%**
3. **Total quizzes = 100 points maximum: 15%**
  - 7 Quizzes. All in-class and MCQ. Roughly two chapters for each Quiz
  - I will take best 5 quizzes.
4. **Total Homework = 100 points maximum: 05%**
  - 7 Home works. Combination of MCQ and Essay. Home works will be assigned in *coursecompass.com* and in class. Roughly two chapters for each Homework
  - I will take best 5 Homework scores.

**Total: 100%**

Quizzes and homework will be assigned in the class by the instructor as needed. Students are responsible to be aware of these dates. Dates will be announced in the class.

### **Important Notes:**

- 1) Assigned homework must be completed and submitted to the instructor on time, please!
- 2) Mobiles (Jawwals) must be turned off during Classes and Exam times. No food or drinks (other than water) is allowed in the class.
- 3) Baseball hats are absolutely not allowed to be worn in class!
- 4) Attendance is mandatory. Nine (9) unexcused absences will lead to “DN”. Three late attendances (tardiness) will be considered as an absence. So, please be on time!!
- 5) This class requires three major tools: 1) strong English, 2) use of graphs, and 3) elementary math.

### **Computer Usage:**

Students of Econ 101 (Microeconomics) have to register with the following website where all the home works will be assigned:

[www.coursecompass.com](http://www.coursecompass.com)

Please sign in to this website with your student code (inside the booklet that you received with your text book), my course id (rahman60448) and a valid email address.

### **Some inapplicable materials to be skipped in specific chapters are as follows:**

As had been done and agreed upon at the beginning of last academic year [Terms 101 &102], the following inapplicable materials are here repeated and, therefore, to be skipped as follows:

Chapter 1: Skip (mid) p. 36 – (mid) p. 37, i.e. from “Cautions and Pitfalls” on “Post hoc ergo propter hoc” to the end of the paragraph under the “fallacy of composition.”

Chapter 5: Skip the Appendix, p. 130.

Chapter 9: Skip the Appendix, pp.222 – 225.

Chapter 11: Skip the Appendix on the “Present Value” entirely since it is treated in detail in Macroeconomics Theory (Econ 202) as well as in Finance courses.

Chapter 13: Skip the Section on “ATITRUST POLICY” (mid) P.301 - P.303. As we all know, this Section talks about court legal cases against monopoly practices in the U.S.A.

Chapter 14: (1) Skip “Game Theory” from (bottom) P.314 – up to P.320. (2) Skip the section on “Regulation of Mergers” (top) P.322 – P.324 (top).