

<b>Course Unit Title:</b>	Principles of Microeconomics
<b>Course Unit Code:</b>	ECO101
<b>Type of Course Unit:</b> (Compulsory/Optional)	Compulsory
<b>Level of Course Unit:</b> (first, second or third cycle)	Bachelor (1 <sup>st</sup> Cycle)
<b>Year of Study:</b>	1
<b>Semester when the unit is delivered:</b>	2
<b>Number of ECTS credits allocated:</b>	5
<b>Name of lecturer(s):</b>	TBA

**Learning Outcomes of the course unit:**

Upon successful completion of this course students should be able to:

- Explain and apply the basic principles and essential concepts of microeconomic theory;
- Explain and illustrate applications of consumer choice analysis, and demand and supply analysis;
- Explain and apply microeconomic theory and concepts, derive market demand and supply schedules, and analyze changes in market price;
- Explain theories of perfect and imperfect competition, appraise the case for free-market economics, and recount the sources and implications of market failure;
- Discuss microeconomic models and problems and be able to solve and interpret problems based on such models;
- Use microeconomic concepts and methods to analyze and interpret real-world microeconomic phenomena, and to assess issues of microeconomic policy.

<b>Mode of Delivery:</b>	Face- to- face
<b>Prerequisites and co-requisites:</b>	None
<b>Recommended optional program components:</b>	None

**Course Contents:**

**Objective:**

To equip students with knowledge and understanding of the fundamental principles and concepts of microeconomics.

To introduce students to those principles essential to an understanding of the fundamental economic challenges and problems consumers, firms, and governments face and the

applications to relevant economic policy.

**Description:**

Introduction: Economics: Description and Policy; the Methodology of Economics; Basic Problems of Economic Organization; Inputs Outputs Market; the Law of Scarcity; Society's Production/Possibility Frontier; the Law of Diminishing Returns.

Price Functioning in a Mixed Economy; Market; Mixed Economies; the Market Mechanism; the Economic Role of Government; Functions of the Government; Capital; Division of Labour and Money.

The Bare Elements of Supply and Demand; the Market Mechanism; Analysis of Supply and Demand; What Supply and Demand Accomplishes; General Equilibrium; the Role of Perfect Competition.

Output and Price as Determined by Supply and Demand; Elasticity of Demand and Supply; Momentary, Short Run and Long Run Equilibrium; Applications of Supply and Demand.

The Theory of Demand and Utility; Demand Shifts from Changes in Income and Other Sources; the Law of Diminishing Marginal Utility; Equilibrium Conditions; Substitution and Income Effects; the Paradox of Value; Consumer's Surplus; Geometrical Analysis of Consumer Equilibrium.

Analysis of Costs; Total Cost; Definition of Marginal Cost; Average Cost; Long Run; Envelope Curve; Opportunity Cost.

Competitive Supply; Supply Behaviour of a Competitive Industry; Total Cost and Short-Run Shutdown Conditions; Total Cost and Long Run Break-Even Conditions; Efficiency and Competitive Markets.

Imperfect Competition; Monopoly and Regulation; Sources and Patterns of Imperfect Competition; Maximum Profit Monopoly Equilibrium; Monopoly Its Social Costs and Regulations.

Imperfect Competition and Antitrust Policy; Patterns of Imperfect Competition; Oligopoly; Monopolistic Competition; the Pros and Cons of Imperfect Competition; Basic Issues in Antitrust.

The Theory of Production and Marginal Products; the Theory of Production; the Aggregate Production Function; the Efficiency of Competitive Factor Pricing; Marginal Product Theory of the Simple Firm; A Numerical Production Function; Least Cost Factor Combination for A Given Output.

Pricing of Factor Inputs; Rents on Land and Other Resources; Determination of Factor Prices by Supply and Demand.

Wages, Salaries and the Labour Market; Wage Determination Under Perfect Competition; Supply of Labour; Wage Differences Across Groups; Discrimination by Race and Sex.

Labour Unions and Collective Bargaining; Brief History of the Labour Movement; How Collective Bargaining Works; Current Labour Issues; Imperfection of the Labour Market and Collective Bargaining; Four Ways Unions Seek to Raise Wages; Effects on Wages and Employment.

Interest; Profits, and Capital; Concepts in Capital Theory; the Rate of Return on Capital.

Recent developments and contemporary issues pertaining to the subject-matter of the course.

**Recommended  
or  
required reading:**

N. Gregory Mankiw: Principles of Economics (latest edition)  
Harcourt

Baumol, W.J./Blinder, A.S.: ECONOMICS-PRINCIPLES  
AND POLICY (Latest Edition), Dryden

Taylor, J.B. : ECONOMICS (Latest Edition),  
Houghton Mifflin

Ioannis M. Violaris, Epiphaniou: Economics (A Bilingual  
Approach)

Samuelson, P.A./Nordhaus, W.: ECONOMICS, McGraw  
Hill, Latest Edition

McConnell, C.R./Brue, S.L. : ECONOMICS, McGraw Hill,  
Latest Edition

Case, K./Fair, R.: PRINCIPLES OF ECONOMICS  
Prentice Hall, Latest Edition

McEachern, W.A.: ECONOMICS-A CONTEMPORARY  
INTRODUCTION, Latest Edition

McKenzie, R.B.: ECONOMICS, Houghton Mifflin

Mansfield, E. : PRINCIPLES OF MICROECONOMICS  
W. Norton

Albrecht, W.P.: MICROECONOMIC PRINCIPLES  
Prentice Hall

Schiller, S.R. : THE MICRO ECONOMY TODAY ,Random  
House

	<p>Wonnacott, P./Wonnacott, R.: ECONOMICS, Latest Edition, McGraw Hill</p> <p>Begg, D./Fischer, S./ Dornbusch, R.:ECONOMICS , McGraw Hill</p> <p>David Hyman, N.: MICROECONOMICS, Irwin</p> <p>Selected articles from periodicals.</p>								
<b>Planned learning activities and teaching methods:</b>	<table border="1"> <tr> <td>Class Instruction</td> <td>42 Hours</td> </tr> <tr> <td>Consultation</td> <td>15 Hours</td> </tr> </table>	Class Instruction	42 Hours	Consultation	15 Hours				
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<b>Assessment methods and criteria:</b>	<table border="1"> <tr> <td>Mid – Term Examination</td> <td>40%</td> </tr> <tr> <td>Final Examination</td> <td>50%</td> </tr> <tr> <td>Assignments / Class Participation</td> <td>10%</td> </tr> <tr> <td></td> <td>100%</td> </tr> </table>	Mid – Term Examination	40%	Final Examination	50%	Assignments / Class Participation	10%		100%
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Final Examination	50%								
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<b>Language of Instruction:</b>	English								
<b>Work Placement(s):</b>	No								
<b>Place of Teaching:</b>	Regular Classroom European University Cyprus, Nicosia								