



Course Code	Course Name	Cr. Hrs
IDS 241	Introduction to Economics	3(3-0)

Course Description: An introduction to Economics is an introductory undergraduate course that teaches the fundamentals of microeconomics and macroeconomics. This course introduces microeconomic concepts, supply and demand analysis, theories of firm and individual behavior, competition, and monopoly. Students will also be introduced to the use of microeconomic applications to address problems in current economic policy throughout the semester. Further the course covers macroeconomic indicators and issues such as national income, unemployment, inflation etc. The course will establish the students understanding on the behavior and performance of the economy as a whole.

Course Objectives:

- By the end of the course, students will be able to understand introductory microeconomic and macroeconomic theories
- To sharpen the problem-solving tactics required to solve basic microeconomic and macroeconomic problems
- To train the students to work with others as a part of team to solve problems

Learning Outcomes:

- After completing this course, students should have developed a range of skills enabling them to understand economic concepts and use those concepts to analyze specific questions. By the end of this course, students should be able to:
- Acquire the basic knowledge of terminologies used in microeconomics and macroeconomics and the key elements involved in the business decision
- Understand the meaning and components that determine the individual behavior and aggregate behaviour within the economy.
- Apply the tools of policies to understand the advantages and drawbacks of microeconomic and macroeconomic policies and how these policies operate.

Course Contents:

1. Introduction

Definition, scope, and importance of Economics, Microeconomics vs. Macroeconomics, Scarcity and choice, Opportunity cost.

2. Consumer Behavior

Cardinal and Ordinal utility approaches, Concepts of demand and supply, Laws of demand and Supply, Market equilibrium, Shifts in demand and supply curves, and market equilibrium.

3. Elasticity

Concept of elasticity, Price elasticity of demand, Income elasticity of demand, Cross Elasticity of Demand, Price elasticity of supply, Application of elasticity.



4. National Income

Definition and concept of national income, Measures of national income: Gross Domestic Product (GDP) and Gross National Product (GNP), GDP at factor cost and at market prices, Computation of national income: Product, Income and Expenditure approaches, Circular flow of income, Nominal versus Real income, Per capita income and the standard of living.

5. Public Finance and Taxation

Sources of public revenue, various forms of taxes: Direct and Indirect, Income and Commodity taxes, Sales, Excise, Customs, Non-tax revenues, Major heads of public expenditure, Revenue and Capital account, Concept of budget deficits and sources of filling the gaps, Deficit financing, Fiscal policy: meaning and objectives.

6. Macroeconomic Issues

Concept of inflation, unemployment, Balance of payments. Monetary Policy and Fiscal Policy and their role in the economy.

Recommended Books:

1. Michel Parkin. 2004. Economics, 5th Ed., Addison Wesley.
2. Paul A. Samuelson and W.D. Nordhaus. 2004. Economics, 18th Ed., McGraw Hills, Inc.
3. John Sloman, Economics (Latest edition).
4. Lipsey and Crystal, Economics, (Latest edition).

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