

<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
<p><b>Learning Outcomes of the course unit:</b>  Upon successful completion of this course students should be able to:</p> <ul style="list-style-type: none"> <li>• Explain and apply the basic principles and essential concepts of microeconomic theory;</li> <li>• Explain and illustrate applications of consumer choice analysis, and demand and supply analysis;</li> <li>• Explain and apply microeconomic theory and concepts, derive market demand and supply schedules, and analyze changes in market price;</li> <li>• Explain theories of perfect and imperfect competition, appraise the case for free-market economics, and recount the sources and implications of market failure;</li> <li>• Discuss microeconomic models and problems and be able to solve and interpret problems based on such models;</li> <li>• Use microeconomic concepts and methods to analyze and interpret real-world microeconomic phenomena, and to assess issues of microeconomic policy.</li> </ul>	
<b>Mode of Delivery:</b>	Face- to- face
<b>Prerequisites and co-requisites:</b>	None
<b>Recommended optional program components:</b>	None
<p><b>Course Contents:</b></p> <p><b>Objective:</b>  To equip students with knowledge and understanding of the fundamental principles and concepts of microeconomics.</p> <p>To introduce students to those principles essential to an understanding of the fundamental economic challenges and problems consumers, firms, and governments face and the</p>	

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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<b>Language of Instruction:</b>	English								
<b>Work Placement(s):</b>	No								
<b>Place of Teaching:</b>	Regular Classroom European University Cyprus, Nicosia								