



Code	Subject Title	Cr. Hrs	Semester
ECON-111	Fundamentals of Economics	3	I
			II
Year	Discipline		
1	Statistics-II, Applied Psychology, Social Work, Urdu		
	Sociology & Sociocultural Studies, Political Science		

### Introduction

Nature, scope and importance of Economics, Microeconomics vs Macroeconomics, Scarcity and choice, Opportunity cost, Factors of production, Production possibility frontier.

### Demand, Supply and Equilibrium

Concepts of demand and supply, Laws of demand and supply, Market equilibrium, Shifts in demand and supply curves, and market equilibrium.

### Elasticity

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

### Utility Theory

Consumer behavior, Preferences, Utility function, Laws of Increasing and diminishing marginal utility, Law of Equi-marginal utility.

### Theory of Firm

Factors of production and their rewards, Total, average, and marginal products, Laws of returns, Cost of production, Total, average, and marginal costs, Total, average, and marginal revenue. Concept of profit maximization/Cost minimization.

### Market Structure

Perfect competition & imperfect competition: assumptions and Price/Output determination.

### National Income

Concepts of national income, GDP & GNP, Real vs. nominal GNP, NNP, NI, PDY, Saving and Personal Consumption.

### Macroeconomic Issues

Concept of inflation, unemployment, Balance of payment, Exchange rate and Business cycles. 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, 18<sup>th</sup> Ed., McGraw Hills, Inc.
3. John Sloman, Economics (Latest edition).
4. Miller. Microeconomic Theory (Latest edition).
5. Lipsey and Crystal. Economics (Latest edition).