



Code	Subject Title	Cr. Hrs	Semester
ECON-131	Economics (Micro) for Commerce	3	II
Year	Discipline		
1	Commerce		

- 1. Introduction**
  - a. Nature and Scope of Economics
  - b. Difference in Microeconomics & Macroeconomics
- 2. Consumer Behavior:**
  - a. Utility-kinds and aspects.
  - b. Cardinal and ordinal approaches of utility.
  - c. Laws of diminishing and Equi-marginal utility.
  - d. Indifference curve analysis and consumer equilibrium.
  - e. Price effect, income effect and substitution effect.
- 3. Demand, Supply and Price Determination**
  - a. Demand- Determinants of demand, law of demand, shifts and shift factors in demand
  - b. Elasticity of demand, Price, income and cross elasticity, Point and Arc Elasticity
  - c. Measurement of elasticity of demand: Percentage, Graphic and Total Outlay methods
  - d. Determinants and importance of elasticity of demand.
  - e. Stocks and supply. Determinants of supply, law of supply, shifts & shift factors in supply.
  - f. Elasticity of supply, Measurement & Determinants of elasticity of supply.
  - g. Market equilibrium-surplus and shortage conditions.
  - h. Consumer and Producers surplus.
- 4. Production & Cost**
  - a. Production function, Economies of Scale
  - b. Laws of Return and Law of Variable proportions
  - c. Traditional theory of Costs, Average, Marginal and Total Costs
  - d. Long run Average Cost
- 5. Market Structures**
  - a. Perfect Competition: Price and output determination in the short and long run
  - b. Monopoly: Price and output determination in the short and long run, Price discrimination
  - c. Monopolistic Competition: Price and output determination in the short and long run
  - d. Introduction to Oligopoly
- 6. Factor Pricing**
  - a. Marginal productivity theory
  - b. Recardian theory of rent
- 7. Mathematics for microeconomics**
  - a. Derivative and their application in microeconomics
  - b. Introduction to optimization

**Recommended Books:**

1. Samuelson, Paul A.: William D Nordhaus, Economics, McGraw-Hill
2. Pindyck, Robert S.; and Daniel L. Rubinfeld. Microeconomics. Prentice Hall, 7<sup>th</sup> Edition: 2008.

**BS (4 Years) for Affiliated Colleges**



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3. Varian, Hal R. Intermediate Microeconomics. & Company, 7<sup>th</sup> Edition
  4. Rizavi, Dr. Sayyid Salman, "An Introduction to Economics", Syed Mubeen & Co., Lahore
  5. Nasir, Saeed, "Text Book of Economics", Ilmi Kutab Khana, Lahore.
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