

COURSE OUTLINE

Department & Faculty: Dept. of Mechanical Engineering & Management Centre for Diploma Studies, SPACE, UTM	Page :
Course Code : Principles of Microeconomics (DDWG 1413) Total Lecture Hours : 42 hours	Semester: Academic Session:

Lecturer : Pn. Diyana Nabilah Burhan

Room No. : V304J

Telephone No. : 013 – 340 1612

E-mail : diyana@utmspace.edu.my

Synopsis : This course is designed to expose students with basic concept of economics. This 3-credit subject will consist of both theories and concepts in microeconomics. It will emphasize on the basic human problems as well as basic economics problem. It will discuss on theory of demand, theory of demand, elasticity of demand and supply, market equilibrium. Theory of consumer behaviour, theory of production and cost of production, market structures: perfect competition, monopoly market, monopolistic market and oligopoly market.

LEARNING OUTCOMES

By the end of the course, students should be able to:

No.	Course Learning Outcome	Programme Learning Outcome(s) Addressed	Taxonomy and Soft Skill Level	Assessment Methods
1.	Define the basic concept of economics theories and recognize the economics problems. Prepare the demand, supply, elasticity and cost of production	PLO1	C3	Quiz, Tests, Assignment, and Final exam
2.	Differentiate between budget line, indifference curve, isocost and isoquant, consumer and producer equilibrium and give solutions	PLO3	P3, CTPS1-2	
3.	Differentiate and determine market structure: Perfect competition, a monopoly, monopolistic competition and oligopoly market.	PLO3	P3, CTPS1	
4.	Acquire and manage relevant information from various sources as well as accept new ideas	PLO6	A3, LL2	

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Prepared by:
Name: Hairuzzafwan bin Bukhari
Signature:
Date:

Certified by: (Course Panel Head)
Name:
Signature:
Date:

STUDENT LEARNING TIME

Teaching and Learning Activities	Student Learning Time (hours)
A. Face-to-face Learning	
1. Lecture	42
2. Practical / Tutorial	
3. Student Centered Learning	14
B. Self Directed Learning	
1. Non face-to-face eg assignments	40
2. Revision	10.5
3. Assessment Preparation	8
C. Formal Assessment	
1. Continuous Assessment	3
2. Final Exam	2.5
Total	120

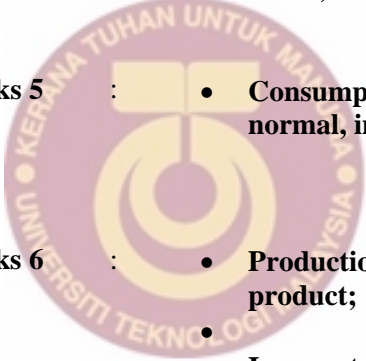
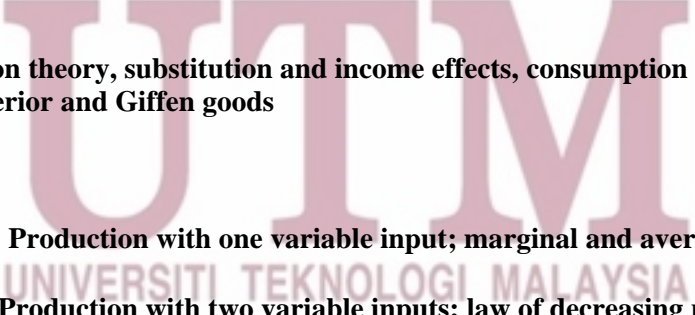
TEACHING METHODOLOGY

Lecture and Discussion, Co-operative Learning, Independent Study, Individual/Group Assignment

WEEKLY SCHEDULE

- Week 1** :
- **Introduction to economic analysis (aim of economic analysis, assumptions, hypotheses and functional relationship); fundamental economic problem; scarcity, choice and opportunity cost; decision making unit (objectives of households, owners of factors and firms (profit maximization and alternative objectives).**
 - **Marginal cost and marginal benefit, comparative advantage & basis for trade**
- Week 2** :
- **Law of demand, factors that influence demand, changes in demand.**
 - **Law of supply, factors that influence demand, changes in supply. Market and**

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<div style="text-align: center;">   </div> <p style="text-align: center;">market equilibrium.</p> <ul style="list-style-type: none"> • The effect of changes in demand and supply <p>Weeks 3 :</p> <ul style="list-style-type: none"> • Price elasticity of demand and supply • Total revenue and elasticity of demand • Cross elasticity and income elasticity • Short run and long run elasticity <p>Weeks 4 :</p> <ul style="list-style-type: none"> • Consumer behaviour; marginal utility theory, the budget line, indifference curve; marginal rate of substitution, substitutes and complimentary goods <p>Weeks 5 :</p> <ul style="list-style-type: none"> • Consumption theory, substitution and income effects, consumption price line, normal, inferior and Giffen goods <p>Weeks 6 :</p> <ul style="list-style-type: none"> • Production: Production with one variable input; marginal and average product; • Production with two variable inputs; law of decreasing returns • Isoquant and the marginal rate of technical substitution. <p>Weeks 7 :</p> <ul style="list-style-type: none"> • Cost of production; type of cost, short run and long run cost of production. • Optimum combination of factors, economies and diseconomies scale <p>Week 8 :</p> <ul style="list-style-type: none"> • Perfectly competitive market, objective of the firm, output and price in the short run and the long run <p>Week 9 :</p> <ul style="list-style-type: none"> • Efficiency and fairness of market, values, price and consumer surplus; cost price, and producer surplus; • The analysis of competitive market; evaluating the effects of government policies (government intervention in markets; minimum price, price support, quota 	

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- Week 10 to 11 :**
- **Market power monopoly; Price Discrimination; monopoly regulation**
 - **Monopolistic competition; Indexes to identify monopolistic competition; output and price in the short run and the long run; advertising and branding**

- Week 12 :**
- **Oligopoly; Models including the kinked demand curve; collusion and prisoner's dilemma (Game Theory); Factor market introduction**

- Week 13 :**
- **Factor market: Factor price and the labor market (demand and supply) perfect competition and monopoly**
 - **Interest rate, rent and profit**

- Week 14 :**
- **Externality (negative and positive) and inefficiency**
 - **Private goods, public goods and common resources; the free rider problem**

REFERENCES:

1. Bade, R and M Parkin (2013) *Foundation of Economic*. 6th Edition. International Edition Boston; Pearson Education.
2. Pindyek, Rubinfeld and Koh (2006) *Microeconomics and Asian Perspective*. Singapore; Prentice Hall.
3. Mankiw. G (2009) *Principle of Economic*, 5th Edition. International Student Edition Canada South Western Cengage Learning.

GRADING

No.	Assessment	Number	% Each	% Total	Dates
1	Assignments	2	10	20	
2	Quizzes	4	2.5	10	
5	Test	2	10	20	
6	Final Exam	1	50	50	
	Overall Total			100	