
Rift Valley University

Faculty of Business

Departments of Management

Course Outline

Course Title: Microeconomics

Course Code: Econ 201

Credit Hours: 3

Pre-requisite: No prerequisite

Academic year:

Course instructor:

Course Coordinator:

Course Description

The course is aimed at providing both theoretical and practical numerical examples in simple and systematic manner. The course is basically dealing with consumer's behavior and producer's decision considering the theory of cost. Discussion on perfectly competitive and monopoly markets will also be considered

Course Objectives:

After successful completion of the course, students will be able to:

- understand the consumer's behavior;
- differentiate the theory of production and cost;
- differentiate perfectly competitive market and monopoly;
- understand pricing policy from different market structures.

Course Contents

Chapter	Topic	Time Allotted
1.	The Theory Consumer behavior	10hrs
	1.1. Introduction 1.2. The Cardinal approach 1.3. The Ordinal approach 1.4. Indifference Curve 1.5. Properties of Indifference 1.6. Marginal rate of substitution 1.7. The budget line 1.8. Optimum of the Consumer 1.9. Income consumption curve and Engel's Curve 1.10. Price Consumption Curve and Demand Curve 1.11. Substitution and Income Effect	
2.	The Theory of Production	6hrs
	2.1. The Production function 2.2. Laws of Production 2.3. The laws of Variable proposition 2.4. Returns to scale 2.5. Choice of Optimum Combination of inputs	
3.	The Theory of Cost	6hrs
	3.1. Short run cost (revision) 3.2. Long run cost 3.3. Economies and diseconomies scale 3.4. The expansion path and derivation of cost curve	
4.	Perfect Competition market	5hrs
	4.1. Equilibrium of the competitive firm in the short run (revision) 4.2. Equilibrium of the competitive firm in the long run 4.3. The industry's long run supply curve 4.4. Constant cost Industry 4.5. Increasing cost Industry 4.6. Decreasing cost Industry	
5.	Imperfect Market - (Pure Monopoly ,MCM and Oligopoly) market	5hrs
	5.1. Definition 5.2. Conditions necessary for (Pure Monopoly ,MCM and Oligopoly) market 5.3. Demands and Revenue 5.4. Cost under Monopoly 5.5. Short run and long run Equilibrium	

	5.6.Competition curves Monopoly	
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• Teaching and Learning Methods

- lecture
- group discussions
- Presentation

Assessment Methods

Formative Assessment				FAT 50%	SAT 50%	Grand Total 100%
FA 1 Quiz (at least two) 20 %		FA 2 Practical Individual or group work 10 %	FA 3 Individual presentation of the group work 10%			
FA1 A	FA1 B					
			FA 4 class participation & attendance 10 %			

Key:

- FA: Formative Assessment
- FAT: Formative Assessment Total
- SAT: Summative Assessment Total

Text

Koutesiannis, A. (1979) Modern Micro Economics, Macmillan Press Ltd.

References

- 📖 Frank, R.H. (1991), Microeconomics and Behavior,Mc-Graw Hill Book Company
- 📖 Henderson and Poole, Principles of Microeconomics

- 📖 Maddala G.S (1989) Microeconomics Theory and Application, McGraw Hill Book Company
- 📖 S.Pindyck R.S and Rubinfeld (1995), Microeconomics Macmillan Publishing