



Kuwait University
College of Business Administration
Department of Economics



Course Syllabus
Fall 2022/2023
Dr. Abbas Al-Mejren
ECON 502 – Applied Microeconomics
Master of Economics Program

Lecture Time and Location:

Econ 502 Sunday 17:00 – 19:50 Location: C3 - 1003

Instructor's Contact Information:

Location : Department of Economics

Email : cbakukw@gmail.com ;
abbas.almejren@ku.edu.kw

[For faster response, please use the MS Teams' private chat to communicate with the instructor](#)

Office : Department of Economics – CBA – 3rd Floor – Zone A – Office No. 1033

Office Hours : Monday & Wednesday 12:30 - 2:00 PM or by appointment

Social Media : Twitter (@mejren22)

Teaching Assistant: NA for this course

Course Description:

This course focuses on the applied and experimental aspects of advanced topics in analyzing the mechanism of action of different players in markets and the impacts of their actions on the allocation of goods and services. It also focuses on understanding the implications of market structures on the exercise of market forces of their market power to impact prices, quantities produced, and social welfare. The course topics include the behaviors of producers and consumers, the interaction of supply and demand in a dynamic environment, the impact of various elasticities on spending decisions, government intervention in the market, the impact of taxes and subsidies, the administrative structure of prices, pricing strategies, and market structures, especially under varied models of oligopoly.

Course Objectives:

The student should demonstrate the capacity to use microeconomic concepts and theories in analyzing real-world issues and problems; use microeconomic variables in formulas, equations, and models to reach meaningful conclusions; analyze the behavior of individuals and firms, and analyze government policies and their impact on market outcomes and social well-being.



By regular attendance of lectures, participation in discussions, defending arguments, readings relevant references, and writing a well-structured applied paper, the student is expected to:

- clo1. understand and use concepts and tools of microeconomic analysis
- clo2. apply microeconomic theories and methodologies to the real world issues
- clo3. using differential equations to estimate maximum and minimum values
- clo4. use econometric models to analyze the economic behavior
- clo5. understand the functions of different markets under various structures

CLO Mapping to CBA Skill Based Competency Goals¹

CLO	Competency Goal			
	Analytical	Communication	Information Technology	Business Ethics
1	R		R	
2	I	I		
3	A		A	R
4	A	A		
5	R		R	R

Type of Emphases:

- **(I)ntroduce:** Students will be introduced to the skill and their grasp of it assessed in the course.
- **(A)pply:** The course will not cover the skill. Students should have a high-level grasp of the skill and are required to apply it in the course.
- **(R)einforce:** Students should have an introductory-level grasp of the skill and the course will improve their mastery to a higher level.

Course Format

The course will include specialized lectures on microeconomic topics with special emphasis on the applied aspects, the mathematical and the econometric analysis of these topics. In addition, the course uses discussions, and students are expected to actively participate in presenting specific topics. The course also requires focusing on additional readings and the use of materials that assist the student in how to address a specific research real-life problem through the use of academically recognized research methods in economics, plus writing up an applied research paper on the selected problem.

Course Materials

¹ CBA Competency Goals can be found at the end of this document

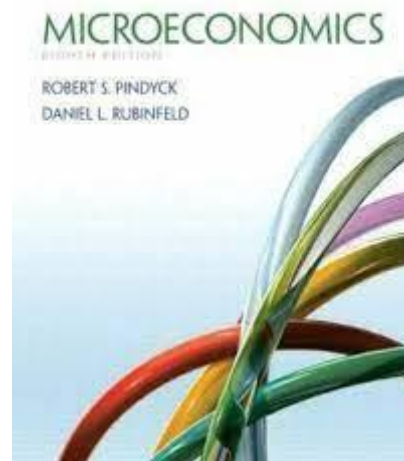


Textbook:

Microeconomics, 7th Edition, Robert S. Pindyck and Daniel L. Rubinfeld, Publisher: Pearson.

Access:

https://edisciplinas.usp.br/pluginfile.php/4292722/mod_resource/content/1/%288th%20Edition%29%20%28The%20Pearson%20Series%20in%20Economics%29%20Robert%20Pindyck%2C%20Daniel%20Rubinfeld-Microecon.pdf



Additional References:

Readings in applied microeconomics: The power of the market, a book edited by Craig M. Newmark, publisher Routledge 2009. Featuring readings from Friedrich Hayek, William Baumol, Harold Demsetz, Daniel Fischel and Edward Lazear, Benjamin Klein and Keith B. Lefler, Stanley J. Liebowitz and Stephen E. Margolis, and John R. Lott, Jr. Key topics covered for examples:

- Why markets are efficient allocators
- How markets foster economic growth
- Property rights
- How markets choose standards
- Asymmetric Information
- Whether firms abuse their power
- Non-excludable goods
- Monopolies

Access:

[http://eprints.stiperdarmawacana.ac.id/12/1/%5BCraig Newmark%5D Readings in Applied Microeconomics%28BookFi%29.pdf](http://eprints.stiperdarmawacana.ac.id/12/1/%5BCraig%20Newmark%5D%20Readings%20in%20Applied%20Microeconomics%28BookFi%29.pdf)

Debertin, David L., Applied Microeconomics: Consumption, Production and Markets, University of Kentucky, UKnowledge, 2012.

Access:

https://uknowledge.uky.edu/cgi/viewcontent.cgi?article=1002&context=agecon_textbooks

ASSESSMENTS & GRADING



- 1) Class participation, discussion, preparation, presentation, assignment, and topics assessment (30-35%)
- 2) Applied economics paper (65-70%):
 - Positive selection of topic, and effective selection of tools and method (10%),
 - Finding and use of suitable quality data and resources (20%),
 - Adherence to research technique and methodology (10%)
 - Effective writing of thoughts and documentation of reference works (30%),
 - Quality and innovation of the results and their addition to the research area (10%).
 - Observance of deadlines (10%)
 - The presentation and discussion (10%)

Class Preparation – Readings, Videos, and Online Quizzes:

The student may be required to prepare and present specific scientific topics related to the themes of the course, in addition to his presentation of his/her applied case study.

Attendance and Participation:

Every student in this course must abide by the Kuwait University Policy on Attendance (published in the Student Guide, Chapter 3 - Section 13). A copy of the guide can be accessed online on: http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf

Fraud and Plagiarism:

Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the Student Guide, Chapter 3, Section 2). A copy of the guide can be accessed on: http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf Please carefully note all sources and assistance when you turn in your work. Under no circumstances should you take credit for work that is not yours. You should neither receive nor give any unauthorized assistance on any deliverable. If you have any questions about what constitutes “unauthorized assistance” please email me before the deliverable is submitted.

Writing Style:

Students must refer to APA writing style for their assignments and paper.

KU Grade Distribution:

Range	Grade	Range	Grade	Range	Grade
≥ 95	A	≥ 80 and < 83	B-	≥ 65 and < 70	D+



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≥ 90 and < 95	A-	≥ 77 and < 80	C+	≥ 60 and < 65	D
≥ 87 and < 90	B+	≥ 73 and < 77	C	< 60	F
≥ 83 and < 87	B	≥ 70 and < 73	C-	Pass	P

The Relevant Topics:

1. Preliminaries: What Is a Market?, Real versus Nominal Prices Why Study Microeconomics?
2. The Basics of Supply & Demand (Functions, Elasticities, and Government Intervention)
3. Consumer Behavior: Marginal Utility and Consumer Choice, and Cost-of-Living Indexes
4. Individual and Market Demand: Income and Substitution Effects, Consumer Surplus, Empirical Estimation of Demand
5. Uncertainty and Consumer Behavior: Describing Risk, Reducing Risk, Demand for Risky Assets
6. Production: with One Variable Input, with Two, Returns to Scale
7. Cost of Production: Measuring Cost, the Short Run, the Long Run, Economies of Scope, Estimating and Predicting Cost
8. Profit Maximization and Competitive Supply: Perfectly Competitive Markets, Profit Maximization, Marginal Revenue, Marginal Cost, and Profit Maximization in SR & LR
9. Analysis of Competitive Markets: Gains and Losses from Government Policies, Efficiency of a Competitive Market, the Impact of a Tax or Subsidy
10. Market Power: Monopoly and Monopsony: Sources of Monopoly Power, the Social Costs of Monopoly Power, Limiting Market Power: The Antitrust Laws
11. Pricing with market Power: Capturing Consumer Surplus, Price Discrimination, Peak-Load Pricing, the Two-Part Tariff, Bundling, Advertising
12. Monopolistic Competition and Oligopoly: Price Competition, Competition versus Collusion: the Prisoners' Dilemma, Cartels
13. Game Theory and Competitive Strategy
14. Basics of Applied Research in Economics

Important Dates:

Sunday	25/9/2022	First (Fall) semester
Thursday	3/11/2022	Last day to drop courses
Thursday	8/12/2022	Last day to withdrawal
Thursday	22/12/2022	Last day of classes
Saturday-Thursday	24/12/2022- 5/1/2023	Final exams
Thursday	12/1/2023	Last day for grades submission