



Kuwait University
College of Business Administration
Economics Department



Course Syllabus
ECON 502 Applied Microeconomics

Lecture Time and Location

Tue, 5:00 PM – 7:50 PM, 01, D1, 1004

Contact Information

Instructor: Prof. Dr. Talat S. Genc

Location: Economics Department - Third Floor - Office No:S-03

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Office: 1068

Office Hours: Sun, 11:00 AM – 1:00 PM or Th, 4:00 PM – 4:50 PM, or by appointment

Course Description

The main purpose of this class is to understand economic issues of regulated industries such as electricity, crude oil, natural gas, and natural monopolies. We will discuss rationale of government interventions for market failures. We will also study economic behavior of firms/industries in the case of the interventions. We will use theoretic and empiric models to understand these issue.

Course Learning Objectives (CLOs)

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

- CLO1.** understand and explain the role of government interventions on the market outcomes
- CLO2.** analyze crude oil, natural gas, electricity and transportation industries.
- CLO3.** analyze equilibrium models.
- CLO4.** understand *Economic Policy and Regulation*
- CLO5.** solve various optimization problems.
- CLO6.** make quantitative predictions.

CLO Mapping to CBA Skill Based Competency Goals

	Economic Theory	Quantitative Reasoning	Critical Thinking	Communication
1	I		I	
2	I	R	R	A
3	I	R	R	
4	I		R	A
5	I			
6			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 Material

Textbooks (Optional):

1. Economics of Regulation and Antitrust by W.K. Viscusi, J.E. Harrington, J.M. Vernon. Publisher: MIT Press.
2. Modern Industrial Organization by Dennis W. Carlton and Jeffrey M. Perloff. Pearson Addison Wesley press.
3. The Theory of Industrial Organization by J. Tirole, MIT press.

Additional Material: Other material is available on Moodle

E-Learning System: Moodle and MS Teams

Course Website: <http://moodle.ku.edu.kw>

Course Requirements and Policies

- **In-Class Tests:** If the university allows on-campus examinations, you will come to campus to write it. Otherwise, it will be an online real-time exam.
- **Term paper:** You will be examining regulation and deregulation processes of an industry of your choice using the methods and theories covered in lectures and course material.
- **Late submission:** Late submissions of exams or assignments are not accepted. You are expected to be present for each examination. *There will be no make-up examinations.* In case of an unavoidable emergency, please contact the instructor (contact person can be you or someone delegated by you) immediately; otherwise expect a grade of zero.
- **Participation:** The quality of our classroom discussions in large part depends on you and your preparation for class. Participation should include, among other things, (1) presenting case facts, (2) defining the problem, (3) exploring different alternatives, (4) persuasive, thoughtful, integrated analysis supported by the data given in the case.
- **Class Preparation** It is very important that students are prepared for each class period. Students are expected to read the assigned materials before class.
- **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 student guide can be accessed online on:

http://www.ku.edu.kw/cs/groups/ku/documents/ku_content/kuw055940.pdf

- **Cheating 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 student guide can be accessed online on:

http://www.ku.edu.kw/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 report writing. Refer to the English Language Center for help.

Grading

The scores in this course will be the weighted average of the following items:

Weight	Description
10%	Participation
15%	Assignment
30%	Midterm exam
35%	Term paper
10%	Presentation
100%	TOTAL

Grade Distribution

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

Course Outline

Chapter	Topics
Unit 1	Introduction
Unit 2	Efficiency and Technical Progress.
Unit 3	Making of a Regulation
Unit 4	Antitrust Laws and Policy
Unit 5	Economic Regulation
Unit 6	Theory of Natural Monopoly
Unit 7	Natural Monopoly Regulation and Electric Power Sector

Unit 8	Economic Regulation of Energy: Crude Oil and Natural Gas.
Unit 9	The Regulation of Potentially Competitive Markets: Theory and Estimation Methods.

Important Dates

Date	Event
TBA	Assignment
TBA	Midterm Exam
TBA	Submit Term paper and present

Master of Economics Competency Goals:

1. Economic Theory: Our students should demonstrate expertise in applying core economic theories to solve global and complex economic problems.

Student Learning Objectives:

- 1.1 Acquire a deep understanding of how markets and economies operate
- 1.2 Apply micro/macro-economic theories to solve complex economic problems.
- 1.3 Analyze in depth the impact of alternative regulatory activities in individual markets and their effect on the welfare of the population
- 1.4 Recognize that although economists address economic problems with a common approach, the science is ever changing, and one's approach must be regularly evaluated and updated.

2. Quantitative Reasoning Skills: Our students should acquire sufficient mathematical and statistical skills to be able to analyze economic problems and to make use of those skills in their future careers

Student Learning Objectives:

- 2.1 Understand how to collect and use empirical evidence to evaluate economic argument.
- 2.2 Conduct appropriate statistical analysis of data using appropriate econometric techniques and explain the statistical problems involved.
- 2.3 Interpret statistical results and understand the limitations of the analysis.

3. Critical Thinking Skills: Our students should demonstrate the ability to be critical thinkers when conducting qualitative and quantitative economic analysis.

Student Learning Objectives:

- 3.1 Creating abstract models of complex socio-economic systems
- 3.2 Drawing conclusions and policy prescriptions while critically evaluating them
- 3.3 Distinguish between causal relationships and spurious correlations

4. Communication Skills: Our students will demonstrate advanced communication skills in a variety of business settings.

Student Learning Objectives:

- 4.1 Deliver clear, concise, and persuasive presentations.
- 4.2 Write clear, concise, and persuasive business documents.