



Kuwait University
College of Business Administration
Economics Department



Course Syllabus
ECON 320 – Intermediate Microeconomics¹
(ECON 210 – Microeconomic Theory)²
Spring 2023
Dr. Maytham Abdulraheem

Lecture Time and Location

Monday and Wednesday, 2:00 PM – 3:15 PM, B1 Room 1020

Contact Information

Location: Economics Department – 3rd Floor – Zone A – Office No. 1073

Email: Maytham.abdulraheem@ku.edu.kw

Office Hours: Monday and Wednesday, 11:00 AM – 12:00 PM and by appointment

Teaching Assistant

Name: Asiah Aseeri

Location: Economics Department – 3rd Floor – Zone A

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Office Hours: -

Tutorial: Sunday, 3:00 PM – 3:50 PM

Course Description

Analysis of the theoretical foundations of consumer choice, firms' production decisions, and market organization. Theory of the consumer covers preferences, budget constraints, and utility maximization. Theory of the firm covers production technology, cost minimization, and profit maximization. Economic welfare and efficiency are analyzed under different market structures, market failures, and government interventions.

¹ For students admitted starting from the 2021/2022 academic year

² For students admitted before the 2021/2022 academic year

Prerequisites

For students admitted starting from the 2021/2022 academic year:

ECON 230 (Mathematics for Economists)

For students admitted before the 2021/2022 academic year:

ECON 205 (Mathematics for Economists)

Corequisites

For students admitted starting from the 2021/2022 academic year:

ELU 126 (English for Academic Purposes I)

For students admitted before the 2021/2022 academic year:

No corequisites

Course Learning Objectives (CLOs)

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

CLO1. Apply the microeconomic theoretical framework to the analysis of consumption and production behaviors.

CLO2. Analyze how consumers and firms make decisions given scarcity constraints and how these decisions vary in response to changes in economic conditions.

CLO3. Use diagrams and calculus to solve optimization problems of microeconomic models and derive their predictions.

CLO4. Describe the function of markets and their limitations in allocating resources efficiently.

CLO5. Describe different forms of market failure and the role of government policies in correcting them.

CLO Mapping to CBA Skill Based Competency Goals³

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

Required Material

Textbook: R. S. Pindyck, and D. L. Rubinfeld, *Microeconomics*, 9th edition or later, Pearson.

Additional Material: Lecture slides are available on MS Teams.

³ CBA Competency Goals can be found at the end of this document

E-Learning System: Moodle.

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

Tutorial

Attending tutorials is mandatory.

Course Requirements

- **Exam-Style for ECON 320 (ECON 210):** 50%–100% of any exam will consist of short/long-answer questions that ask for written answers, which can be conceptual, analytical, or quantitative questions. If the instructor decides to have multiple-choice, true/false, fill-in-the-blank, or matching questions, they will not exceed 50% of the total exam points.
- **Attendance:** attendance is important because it affects your grade. Coming late to the lecture (i.e., after I register attendance) also costs you points.
- **Quizzes:** Quizzes are held during tutorial sessions which are mandatory to attend.
- **Individual Assignments:** The course includes individual assignments. These individual assignments need to be submitted through **Moodle** on the due days. Late submissions are penalized with a 25% loss of points.
- **Class Preparation:** It is very important that students are prepared for each class period. Each class corresponds to a chapter in the assigned textbook above.

Course Policies

- **Attendance and Participation:** Every student in this course must abide by the Kuwait University Policy on Attendance (published in the Curriculum System Bylaws, Chapter 3, Section 13). A copy of the student guide can be accessed online on:
http://vpaa.ku.edu.kw/en/documents/KU%20ByLaws/Students/Curriculum_Regulations.pdf
- **Cheating and Plagiarism:** Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the Curriculum System Bylaws, Chapter 3, Section 14). A copy of the student guide can be accessed online on:

http://vpaa.ku.edu.kw/en/documents/KU%20ByLaws/Students/Curriculum_Regulations.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.

Grading

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

Weight	Description
10%	Homework Assignments
5%	Attendance and Participation
5%	Quizzes (in the tutorial sessions)
15%	Midterm1
15%	Midterm 2
45%	Final Exam
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

Title	Topics and Readings on Textbook	Week (Tentative)
I. Introduction		
Reviewing Mathematical and Microeconomic Preliminaries	<p>Reviewing Mathematical Preliminaries</p> <ul style="list-style-type: none"> • Differentiation Rules and Properties • Integration Rules and Properties • Deriving Marginal Functions from Total Functions, and Vice Versa • Natural Log and Exponential Functions <p>Reviewing Microeconomic Preliminaries</p> <p>2.1 Supply and Demand 2.2 The Market Mechanism 2.3 Changes in Market Equilibrium 2.4 Elasticities of Supply and Demand</p>	1
II. Consumer Theory		
Consumer Behavior: Preferences; Budget Constraints; Choice	<p>3.1 Consumer Preferences 3.2 Budget Constraints 3.3 Consumer Choice 3.4 Revealed Preference 3.5 Marginal Utility and Consumer Choice</p>	2–4
Individual and Market Demand	<p>4.1 Individual Demand 4.2 Income and Substitution Effects 4.3 Market Demand 4.4 Consumer Surplus</p>	5
III. Firm Theory		
Production Technology	<p>6.1 Firms and Their Production Decisions 6.2 Production with One Variable Input (Labor) 6.3 Production with Two Variable Inputs 6.4 Returns to Scale</p>	6–7
Cost of Production	<p>7.1 Measuring Cost: Which Costs Matter? 7.2 Cost in the Short Run 7.3 Cost in the Long Run 7.4 Long-Run versus Short-Run Cost Curves 7.5 Production with Two Outputs—Economies of Scope</p>	8–9
Profit Maximization and Competitive Supply	<p>8.1 Perfectly Competitive Markets 8.2 Profit Maximization 8.3 Marginal Revenue, Marginal Cost, and Profit Maximization</p>	10

	<p>8.4 Choosing Output in the Short Run 8.5 The Competitive Firm's Short-Run Supply Curve 8.6 The Short-Run Market Supply Curve 8.7 Choosing Output in the Long Run 8.8 The Industry's Long-Run Supply Curve</p>	
IV. Efficiency and Market Failure		
Welfare Analysis of Competitive Markets	<p>9.1 Evaluating the Gains and Losses from Government Policies—Consumer and Producer Surplus 9.2 The Efficiency of a Competitive Market 9.3 Minimum Prices (Price Floors) 9.4 Price Supports (Price Ceilings) and Production Quotas 9.6 The Impact of a Tax or Subsidy</p>	11
Market Failures: Market Power	<p>Introducing Market Failure 16.7 Why Markets Fail</p> <p>Monopoly 10.1 Monopoly <ul style="list-style-type: none"> • Average Revenue and Marginal Revenue • The Monopolist's Output Decision • An Example • A Rule of Thumb for Pricing 10.2 Monopoly Power 10.3 Sources of Monopoly Power 10.4 The Social Costs of Monopoly Power</p> <p>Monopolistic Competition 12.1 Monopolistic Competition</p> <p>Oligopoly 12.2 Oligopoly <ul style="list-style-type: none"> • Equilibrium in an Oligopolistic Market • The Cournot Model • The Linear Demand Curve—An Example 12.4 Competition versus Collusion: The Prisoners' Dilemma 12.6 Cartels</p>	12
Market Failures: Externalities, Public Goods, and Incomplete Information	<p>Externalities 18.1 Externalities 18.2 Ways of Correcting Market Failure <ul style="list-style-type: none"> • An Emissions Standard • An Emissions Fee Public Goods 18.6 Public Goods</p> <p>Incomplete Information 17.1 Quality Uncertainty and the Market for Lemons 17.2 Market Signaling</p>	13

Important Dates

Tentative Date	Event
15/3/2023	Midterm Exam 1
19/4/2023	Midterm Exam 2
16/05/2023	Final Exam

CBA Competency Goals

1. **Analytical Competency**: A CBA graduate will be able to use analytical skills to solve business problems and make a well-supported business decision.

Student Learning Objectives:

- 1.1. Use appropriate analytical techniques to solve a given business problem.
- 1.2. Critically evaluate multiple solutions to a business problem.
- 1.3. Make well-supported business decisions.

2. **Communication Competency**: A CBA graduate will be able to communicate effectively in a wide variety of business settings.

Student Learning Objectives:

- 2.1. Deliver clear, concise, and audience-centered presentations.
- 2.2. Write clear, concise, and audience-centered business documents.

3. **Information Technology Competency**: A CBA graduate will be able to utilize Information Technology for the completion of business tasks.

Student Learning Objectives:

- 3.1. Use data-processing tools to analyze or solve business problems.

4. **Ethical Competency**: A CBA graduate will be able to recognize ethical issues present in business environment, analyze the tradeoffs between different ethical perspectives, and make a well-supported ethical decision.

Student Learning Objectives:

- 4.1. Identify the ethical dimensions of a business decision.
- 4.2. Recognize and analyze the tradeoffs created by application of competing ethical perspectives.
- 4.3. Formulate and defend a well-supported recommendation for the resolution of an ethical issue.

5. **General Business Knowledge**: A CBA graduate will be able to demonstrate a basic understanding of the main business disciplines' concepts and theories.

Student Learning Objectives:

- 5.1. Acquire a fundamental understanding of knowledge from the main business disciplines (e.g. finance, accounting, marketing, and management information systems, among others).