



جامعة دبي  
UNIVERSITY of DUBAI

COLLEGE OF BUSINESS ADMINISTRATION  
Pre-MBA Course Syllabus  
Semester: .....

Course code & No.: PMBA 500  
 Course Title: Principles of Economics  
 Prerequisites: Minimum B grade in College Math  
 Faculty Member: .....  
 Contact Details: Email: .....; Phone: .....  
 Class Hours: Time: ..... Days: ..... Room: .....  
 Office Hours: Time: ..... Days: ..... Room: .....

**Brief Course Description:** (As in UD Graduate Catalog)

The course develops a coherent economic framework for effective managerial decisions. Introduces fundamental economic concepts, discusses the market forces of supply & demand, and examines the role of elasticity of consumer behavior which is demand based. Presents production concepts and analyzes input demand output supply markets. Discusses alternative market structure and market power.

**Course Objective (CO):** Upon completion of this course, students should be able to:

1. Explain Demand, Supply & market interaction for price determination.
2. Determine profit maximizing level of output of production.

**Course Learning Outcomes (CLO):**

Upon completion of this course, students should be able to demonstrate the following outcomes:

1. **Examine** the role of supply & demand, elasticity in managerial decision making.
2. **Examine** production, cost & revenue concepts.
3. **Analyze** input/demand & output supply decisions in “perfectly competitive market”
4. **Analyze** market structure and market power
5. **Discuss** and **apply** pricing with market power contextualizing in UAE/GCC/MENA.

**This course assesses the following BBA Skill Areas:**

Critical thinking & analytical skills.

**Blooms Taxonomy**

(The following levels of Bloom’s taxonomy have been used while developing the above CLO)

Bloom’s level	1.Knowledge (K)	2.Comprehension (C)	3.Application (AP)	4. Analysis (AN)
CLO #	1	2	3	4

**CLO Mapping:** This table maps CLO’s to: CO

CLO	Linked to CO
1	1
2	2
3	3
4	3
5	4

### CLO Assessment Scheme

CLO	Class Work (marks)	Final Exam (marks) 30%
	5 Assignments	
1	14	7
2	14	7
3	14	7
4	14	9
5	14	
<b>Total</b>	<b>70</b>	<b>30</b>

Each MBA course is assessed by a combination of class work (assignments/ quizzes, group work, simulations), and an examination. Class work constitutes 70% of the course grade and one examination at the end constitutes 30% of the course grade. The minimum required cumulative grade point average for MBA is 3.00 out of 4.00. Each course grade is distributed as under:

% Marks	Grade	Quality Points
> 95	A	4.0
90-94	A-	3.7
87-89	B+	3.5
83-86	B	3.0
80-82	B-	2.7
75-79	C+	2.5
Below 75	F (Fail)	0

### Problem/Assignment

The instructor will assign a set of problems/assignments each week adapted to the local environment of UAE/GCC/MENA. These assignments will require economic analysis, evaluation, interpretation, and recommendations to management. In some cases students will be required to present results of their analysis. Each student is expected to spend about 105 hours out-of-class time on readings, assignments, and problem solving as follows:

#### Out-of-Class Time

Assignments and Cases	Approximate Out-of-Class Time
Assignment (individual assignment)	15hours
Assignment (individual assignment)	25 hours
Problem Solving	24 hours
Preparation for Presentation	10 hours
Readings (textbook, journal articles and supplemental readings)	36 hours

**Teaching Methods:** Teaching methods used in this course are interactive learning, lectures, case studies, power point slides, & solving analytical problems

**Use of Modern Instructional Technology:** Power-point, Internet, Audiovisual, Digital Library and Online Databases, Moodle Learning System

**Principles of Economics Weekly/Daily Teaching Plan**

Day Week	Day/ Week of	Topic	Ch	Contents	Relation to CLO	Assessment	Assignment / Reading
1	.....	Basic Microeconomics concepts	Ch 1 & 6 (219-227)	<ul style="list-style-type: none"> <li>- Understand the concepts of demand, demand curve and the law of demand.</li> <li>- Distinguish the difference between individual demand and market demand curve.</li> <li>-Explain the determinants of demand and how it affects the demand curve.</li> <li>-Contrast the difference between change in demand and change in quantity demanded.</li> <li>-Understand the concepts of supply, supply curve and the law of supply.</li> <li>-Distinguish the difference between individual supply curve and market supply curve.</li> <li>-Explain the determinants of supply and how it affects the supply curve.</li> <li>-Contrast the difference between the change in supply and a change in quantity supplied.</li> </ul>	1	<ul style="list-style-type: none"> <li>Quiz</li> <li>Individual Assignment 1</li> <li>Final Exam</li> </ul>	Do end of Chapter problems/assignment
2	.....	- Fundamentals of supply & demand -Equilibrium price controls & comparative statics	Ch 2 (36-54)	<ul style="list-style-type: none"> <li>-Distinguish between total utility and marginal utility.</li> <li>-Discuss diminishing marginal utility.</li> <li>-Explain why an individual's optimal choice of how much to consume of each good/service entails equalizing the marginal utility per dollar spent across all goods and services.</li> <li>-Understand how the substitution &amp; real income effect of a price change affects the quantity of a good or service demanded.</li> </ul>			Do end of Chapter problems/assignment
3		Demand Elasticity	Ch 3 (74-90)	<ul style="list-style-type: none"> <li>-Calculate the price elasticity of demand.</li> <li>-Understand the relationship between the price elasticity of demand and total revenues.</li> <li>-Discuss the factors that determine the price elasticity of demand.</li> <li>-Describe the cross-price, income elasticity of demand. And introduce the price elasticity of supply.</li> </ul>	2	<ul style="list-style-type: none"> <li>Quiz</li> <li>Individual Assignment 2</li> <li>Final Exam</li> </ul>	Do end of Chapter problems/assignment
4	.....	Theory of individual decision making	Ch 4 (117-135, 140-141, 143-145)	<ul style="list-style-type: none"> <li>-Price determination by different firms.</li> </ul>			Do end of Chapter problems/assignment
5	.....	-Perfectly Competitive market -Production concepts & input decision	Ch 8 (266-267) Ch 5 (157-177)	<ul style="list-style-type: none"> <li>-Identify the characteristics of a perfectly competitive market structure</li> <li>-Discuss the process by which a perfectly competitive firm decides how much output to produce.</li> <li>-Understand how the short-run supply curve for a perfectly competitive firm is determined.</li> <li>-Explain how the equilibrium price is determined in a perfectly competitive market.</li> <li>-Describe what factors induce firms to enter or exit a perfectly competitive industry.</li> <li>-Distinguish among constant-, increasing-, and decreasing-cost industries based on the shape of the long-run industry supply curve.</li> </ul>	3	<ul style="list-style-type: none"> <li>Quiz</li> <li>Individual Assignment 3</li> <li>Final Exam</li> </ul>	Do end of Chapter problems/assignment
6	.....	Cost concepts  Short-run supply decisions in Competitive markets	Ch 5 (177-191) Ch 8 (266-275)	<ul style="list-style-type: none"> <li>-Discuss the difference between short-run long-run from the perspective of a firm.</li> <li>-Understand Diminishing Marginal Utility.</li> <li>-Introduce resource costs: Fixed costs, Variable costs and Total costs.</li> <li>-Explain the short-run cost curves faced by a typical firm graphically.</li> </ul>			Do end of Chapter problems/assignment

7	.....	Long run supply in Competitive markets	Ch 8 (276-278)	-Distinguish the difference between economic and accounting costs. -Describe the long-run cost curves a typical firm faces. -Identify situations of economies and diseconomies of scale and define a firm's minimum efficient scale.		Quiz Individual Assignment 3 Final Exam	Chapter problems/ assignment
8	.....	Market structure  Market power	Ch 7 (236,255-258)  Ch 8 (278-301)	-Identify situations that can give rise to monopoly. -Describe the demand and marginal revenue conditions a monopolist faces. -Discuss how a monopolist determines how much output to produce and what price to charge. -Evaluate the profits earned by a monopolist and the concept of price discrimination. -Explain the social costs of monopoly.  -Outline the fundamental characteristics of oligopoly and the concept of the concentration ratio & Herfindal index. -Understand how to apply game theory to evaluate the pricing strategies of oligopolistic firms. -Explain the kinked demand theory of oligopolistic price rigidity.	4	Individual Assignment 4 Final Exam	Do end of Chapter problems/ assignment
9	.....	Pricing with market power	Ch 11 (397-401; 404-417)	-Discuss the key characteristics of a monopolistically competitive industry. -Contrast the output and pricing decisions of monopolistically competitive firms with those of perfectly competitive firms. -Explain why brand names and advertising are important features of monopolistically competitive industries -Explain why some monopolistic competitors would rather be monopolists. -Explain why a monopolistic competitor will only realize a normal profit in the long run. -Graph the long run equilibrium and know why it produces a zero profits.	4	Individual Assignment 5	Do end of Chapter problems/ assignment
10	.....	Application		-Apply theory to practice in UAE/GCC/MENA context.	5		Do end of Chapter problems/ assignment
11	Final exam (Comprehensive).						

### Educational Resources

Educational Resource	Description
Text Book required	Managerial Economics & Business Strategy, 6 <sup>th</sup> edition by Michael R. Baye ISBN: 0071263209, 2008
References	The Micro economy today- 11 <sup>th</sup> edition by Bradley R. Sehiller, ISBN 0-978-0-07-128349-6, 2008
Supporting Reading:	Microeconomics: Robert Pindyck, Daniel Rubinfeld, Mentice Hall; 7 <sup>th</sup> edition, 2008 .