COURSE SYLLABUS

**Course: Introduction to Economics**

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| **Lecturer / Responsible professor**: Lorena Alikaj; Ilira Pulaj  **Week load / course format:**7 credits, 3 hours of lectures / 2 hours of seminars  **Course type**: Compulsory  **Academic year / Semester:**,  **Elective / Required:** Required  **Program:** Bachelor’s in economics  **Course code:** ECN 150  **Email of lecturer/ Responsible professor:** [lorena.alikaj@univlora.edu.al](mailto:lorena.alikaj@univlora.edu.al); [ilira.pulaj@univlora.edu.al](mailto:ilira.pulaj@univlora.edu.al) |

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| **OVERVIEW:**  The course “Introduction to Economics” presents the student with the basic concepts of economics in terms of micro and macro levels. Students will be trained to understand key concepts and apply them through hypothetical situations which will be offer in exercises section. Through this course the student will be introduced for the first time with new economic concepts that form the basis of the economy to be capable to other courses following the “Introduction to Economics” ECN 150. |

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| **MAIN CONCEPTS:**  1. Market organization forms, competitive market, monopoly, monopolist competition, oligopoly;  2. Consumer, utility maximization, budget line, utility (preference) curve;  3. Firm, profit maximization, isocosts’ curve, isoquants’ curve, tangentiality condition;  4. Macroeconomics indicator, GDP, Inflation, Unemployment, Macroeconomics equilibrium models. |
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| **TOPICS**  Principles of Economics, 10th ed., 2012  Karl Case, Ray Fair, and Sharon Oster  1th WEEK  CHAPTER I: **An overview of the economics science**  What is Economics? Production possibility frontier and opportunity cost; Overview of the market economy; Why is the necessary to know economics? Methodology of economic science.  2th WEEK  CHAPTER II: **Supply, demand and market equilibrium**  Demand and the demand curve; Supply and the supply curve; Market disequilibrium.  3th WEEK  CHAPTER III: **Elasticity of demand and supply**  The price elasticity of demand; Determinants of price elasticity of demand; Other types of elasticity.  4th WEEK  CHAPTER IV: **The individual and his consumer choice**  The rational choice and consumer decisions; Marginal utility and consumer demand; Consumer choice and law of demand; Ordinal analysis of consumer choice.  5th WEEK  CHAPTER V& VI: **Firms and Production theory and the marginal product**;  Firms and their objectives; Types of firms; The growth paths of capital firms; Firms accounting; The production function in the short run; The law of diminishing returns; The returns to scale, time factor and technology; The production function in the long run.  6th WEEK  CHAPTER VII: **Costs**  Cost in the short run; Opportunity cost; Cost in the long run  7th WEEK  CHAPTER VIII: **Perfect Competition**  Assumptions of competitive markets and the firm demand curve; Firm decisions and its supply in short run; Firm and industry behavior in the long run; Perfect competition and economic efficiency  8th WEEK  CHAPTER IX: **Monopoly and Other forms of non perfect competition**  Monopoly and its assumptions; Demand curve and profit maximization in monopoly firm; Efficiency under monopoly condition and its criticism; Price Discrimination under monopoly conditions; Assumptions of monopolistic competition; Profit Maximization of a firm in monopolistic competition; Oligopoly. Types of Oligopoly; Oligopoly models.  9th WEEK  CHAPTER XVI: **Introduction to Macroeconomics**  Macroeconomics as a branch of Economic; The main macroeconomic concepts; The main macroeconomic objectives and the means of their accomplishment; The main instruments of macroeconomic analysis; The total output and its measures; The importance of measuring GDP and some indicators; Some macroeconomic identities; National product and economic welfare  10th WEEK  CHAPTER XVIII: **Macroeconomic Equilibrium**  Aggregate demand and its determinants; Aggregate supply and its determinants; The macroeconomic equilibrium, the Classic and Keynesian model.  11th WEEK  CHAPTER XIX: **Consumption and investment**  Consumption and savings, disposable income and consumption function; Other determining factors of consumption; Investment and its determinants factor  12th WEEK  CHAPTER XX: **Income and expenditure**  Aggregate expenditures and real GDP, investment and savings; The multiplier of expenditures; The multiplier of the fiscal policy; The multiplier of open economy.  13th WEEK  CHAPTER XXII: **Business cycle and economic growth**  Business cycle and economic growth; The business cycle and its phases; The theories of the business cycle; Economic Growth.  14th WEEK  CHAPTER XXIII: **Inflation and Unemployment**  Understanding inflation; Types of inflation; Costs of inflation 1Unemployment, its measurement and costs; Economic interpretation of unemployment and types; Natural rate of unemployment.  15th WEEK  CHAPTER XXIV: **Money and banking system**  Money and its functions; The components of money supply and the demand of money; Banks, their types and the process of creating deposits. |

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| **EVALUATION**  **ALLOWED ABSENCES:** Up to 25% of semester load are allowed  **EVALUATION FORMS:**  First test 30%  Presence 10%  Final test 60%  The maximum grade is 10, the minimum one is 5. Course grade calculation is as below:  S ≥ 90% =10  80 ≤ S ≤ 89% = 9  70 ≤ S ≤ 79% = 8  60 ≤ S ≤ 69% = 7  50 ≤ S ≤ 59% = 6  40 ≤ S ≤ 49% = 5  S < 40% = 4  The students who don’t meet the criteria of presence will be penalized by not entering in the final test. The notation M will be put as a final grade. |

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| **LITERATURE:**   1. **Mandatory literature**  * Karl Case, Ray Fair, and Sharon Oster, Principles of Economics, 10th ed., 2012  1. **Recommended literature**  * *Introduction to economics*, authors :A.Mancellari, S.Haderi, Dh.Kule, S.Qirici * *Exercises- Introduction to economics* , autorë : S.Gruda, E.Kallushi, L.Minxhozi, R.Duka, A.Hashorva   **FINAL REMARKS OF THE LECTURER/ RESPONSIBLE PROFESSOR**  Course’s format:  The course will be evaluated through one first test and one final one. Points achieved will be accumulated and no possibility for re – seat will be granted.  Communication:  In case of any question or doubt, please send an email with the subject ECN 15. If is the case of an emergency, please put into the subject the word “Urgent”. Please do not send questions that I prefer to answer to the whole class. Before sending an e-mail, please be sure that the information you are asking for is not provided in the official website of the university.  Honor code:  Is not allowed team work in the case of homework or individual projects. Cheating is punishable. Using others works without references is considered plagiarism and penalties are provided. Any possible case will be considered to the Ethic Committee. It is suggested responsibility and cooperation in fulfilling the course criteria. Mobile cellphones should be silent during class and not allowed during tests. |