ASSOCIATE DEGREE IN ARTS / SCIENCE
ECONOMICS (ELECTIVE)-I

APPENDIX 'A'
(Outlines of Test)

PAPER 'I': Basic Mathematics and Microeconomics   **100**

Appendix 'b'

(Syllabi and courses of reading)

NOTE

*(i).*In paper "I" four questions will be set from Section-I and six questions from Section-II. The candidates will be required to attempt 05 questions in all selecting 03 questions from section-I and 02 questions from section-II.

SECTION – I BASIC MATHEMATICS

1.FUNCTION AND EQUATIONS:

(i) Function: Relation Vs Function. Variables Constants And Parameters. Types Of Function: Linear And Non-Linear; Exponential And Logarithmic. Graphical Presentation Of Function. Examples From Micro And Macro Economics.

(ii)Equation: Equation Vs Identities. Solution Of Linear, Quadratic And Simultaneous Equations. Equilibrium Analysis In Economics : Partial Market Equilibrium ; Linear And Quadratic Models. Equilibrium In National Income.

2. DERIVATIVES:

The concept of derivative. The concept of limit and its relevance to derivatives. Slope vs elasticity of a Function. Rules of Differentiation: A Constant, A power, Sum, Difference, Product and Quotient Function Rule. The Derivation of Marginal Quantities in economics. The calculation of Elasticity of Demand and Supply.

3. MAXIMA AND MINIMA OF FUNCTIONS:

Optimum values vs Extreme Relative Maxima and Minima, point of inflexion, Criteria for Relative Maxima and Minima. First order condition and second order condition. Constrained Optimization. Problems of optimization in Economics: Profit, Utility and Revenue Maximization. Cost Minimization. The Equilibrium of a Consumer and a Firm. The least cost combination of Inputs.

SECTION II: MICRO ECONOMCIS

1.THE NATURE AND IMPORTANCE OF MICRO ECONIMICS:

Basic problems of Micro Economics Theory. The Determination of Output composition. The Allocation Resource. The distribution of the Product and the Maintenance and Expansion to the Productive capacity of the economy. Market economy and the treatment of basic economic problems. The relative importance of market mechanism in capitalism, socialism and Islamic Economics system.

2.THE THEORY OF CONSUMER BEHAVIOUR:

The Utility Theory of Consumer Behaviour. Indifference Preference Analysis. Indifference Curves And Marginal Substitution. Consumer Equilibrium. Income Substitution And Price Effect Of Normal, Inferior And Giffen Good, Derivation Of Demand Curve From Price-Consumption Curve. Revealed Preference Theory. Price Income And Cross Elasticity Demand And Their Measurement.

3.THE THEORY OF PRODUCTION COSTS AND REVENUES:

The Concept of Production Function. Iso-Quant And Iso-Cost Curves. Marginal Rate of Technical Substitution. Optimal Combination of Resources. The Cost and Revenue of Firm.

4.THE THEORY OF FIRM BEHAVIOUR AND MARKET ORGANIZATION:

(a) Perfect Competition

Assumptions Competition. Equilibrium of A Firm and Industry during Short and Long Periods. Short and Long Periods Supply Curve of A Firm and Industry.

(b) MONOPOLY:

The Nature and Extent of PuMs Monopoly. Short-Run and Long Equilibrium Under Pure Monopoly. Dumping and Price Discrimination. Welfare Effects Of Pure Monopolies.

(c) Imperfect Competition:

Monopolistic competition and its main characteristics. Short-run and long run Equilibrium under monopolistic competition. Pricing and output determination under oligopoly. Price leadership and cartels. Inefficiencies due to imperfect competition.

5. PRICING AND EMPLOYMENT OF RESOURCES:

The Marginal Productivity Theory of Resource Pricing. The Modern Theory Of Resource Pricing And Employment. The Demand Curve of A Firm With One Variable Resource. The Demand Curve of a Firm With

Several Variable Resources. The Market Demand Curve. The Supply Curve of Resources. Resource Pricing Under Perfect Competition, Monopoly and Monopsony.

Recommended books:

(i) Chieng, Alpha C,	Fundamentals Methods of Mathematical Economics' 3rd Edition.
(Ii) J.Parry Lewis	"An Introduction of Mathematics Theory" And 2nd Edition.
(Iii) Ferguson & Gould's	"Microeconomics Theory" 6 Edition.
(Vi) Glahe, Fred R.	"Macroeconomics" 2nd Edition.
(V) Prof. Abdul Ghani Chaudhary	"Rahber-e-Muashiat"
(Vi) Dr. Muhammad Hussain Chaudhary	"Economic Thoery"
(vii)M. Hanif Aslam	"Economic Theory"