

Identification	Subject (Code, title, credits)	ECON 203: Microeconomics – 3KU credits (6ECTS)
	Department	Economics and Management
	Program	Undergraduate
	Term	Fall, 2025
	Instructor	Sara Huseynova, Ph.D.
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	Classroom/hours	41 Mehseti street (Neftchilar campus), Khazar University
	Office hours	Upon contact
Prerequisites	ECON 101 Introduction to Economics	
Language	English	
Compulsory/Elective	Compulsory	
Required Textbooks and Course Materials	Textbooks: N. Gregory Mankiw: Principles of Microeconomics, 9th edition, Cengage Publishers, 2021	
Course Outline	This course provides a comprehensive introduction to the fundamental principles of microeconomics. It focuses on the economic behavior of individual consumers and firms, and how their interactions shape market outcomes. Students will develop a strong understanding of core microeconomic concepts, including supply and demand, elasticity, consumer choice, production, costs, market structures, and government intervention. The course emphasizes critical thinking, problem-solving, and the application of economic analysis to real-world situations.	
Course Objectives	Starting from the basic ideas of tradeoffs, opportunity cost, and the benefits of trade, we will study how the market forces of supply and demand cause prices to be what they are. We will see the sense in which market economies are efficient, and the way governments can make our economy less or more efficient. We will delve behind the supply curve to see how firms choose their production levels to maximize profits, culminating in the model of perfect competition. We will look at market failures such as imperfect competition (monopoly, oligopoly), externalities and asymmetric information. Theory of demand and supply: demand function, change in quantity demanded and change in demand, supply function: change in quantity supplied and change in supply, elasticity of demand and supply – concepts, degrees and measurements. Utility Analysis: cardinal vs ordinal utility and indifference curve analysis. Theory of production: Production function, laws of production. Cost and revenue curves. Pricing: Price and output determination under perfect competition, monopoly and monopolistic competition, concept of oligopoly. Factor pricing: rent (modern theory of rent) wages (marginal productivity theory), interest (loanable fund theory and liquidity preference theory) and profit (dynamic theory and innovation theory).	
Learning Outcomes	By the end of this course, students will be able to: <ul style="list-style-type: none"> • Explain the fundamental principles of microeconomics, including scarcity, opportunity cost, and rational decision-making. • Analyze consumer behavior using utility theory, budget constraints, and elasticity concepts. • Evaluate producer behavior through production functions, cost structures, and profit-maximizing decisions. 	

	<ul style="list-style-type: none"> • Differentiate between market structures (perfect competition, monopoly, monopolistic competition, oligopoly) and assess their efficiency and welfare outcomes. • Apply supply and demand models to determine market equilibrium and predict the effects of shifts in economic variables. • Assess the impact of government policies (taxes, subsidies, price controls, regulations) on market outcomes and welfare. • Identify and interpret cases of market failure, including externalities, public goods, and asymmetric information, and propose possible policy solutions. 		
Teaching methods	Lecture		X
	Group Discussion		X
	Experiential Exercise		X
	Case analysis		X
	Course Paper		X
Evaluation	Methods	Date/deadlines	Percentage (%)
	Midterm Exam	Week 8	30
	Class Attendance		5
	Class activity		5
	Quizess	Week 6 , Week 11	10
	Project/Presentation	Week 15	10
	Final Exam		40
	Total		100
Policy	<p>Attendance: Students exceeding the 25% absence limit will not be allowed to participate in the final exam.</p> <p>Activity shall mean active participation i.e., asking and answering the question, contribute with insights and feedback, and demonstrate willingness and dedication to be part of an overall class discussion.</p> <p>The quizzes: There will be two quizzes throughout the course. The quizzes might be made of multiple-choice questions, true/false questions, and short open questions. The questions will cover the subjects learned until each preceding class. Each quiz will be 5 points.</p> <p>Presentation/Project: Also, in the last class students will make a presentation or a project based on the issues illustrated in Project section. Students are free to make the presentation alone or in group. In any case, they will analyze the situation according to gained knowledge. The group presentations will be evaluated as the collective work and will be graded based on the quality of presentation as well as content of slides. If it is a project, it will be graded individually.</p> <p>The course project is designed in a way that it offers students the learned concepts of the process of development of economic thought from the Antiquity till the second half of the 20th century by preparing a report. Small research groups of students that will prepare reports will consist of 2 - 5 students depending on class size. The students will choose a research topic based on their field of interest. The report must include the following sections: introduction, relevant literature/literature review, methodology, results, and discussion and conclusion. The students will</p>		

		submit the report using e-mail one week before the final presentation. Group presentations that are based on reports will be made in the last class. The duration of the presentation will be around 15 minutes. Cheating / Plagiarism: Cheating or other plagiarism issues during mid-term and final examinations will lead to paper cancellation. As result, the student will automatically get zero (0), without any consideration.	
Tentative Schedule			
Week	Date/Day (tentative)	Topics	Textbook/Assignments
1		The ten principles of economics Thinking like an economist	Chapter 1, 2 N. Gregory Mankiw: Principles of Microeconomics, 9th edition, Cengage Publishers,2021
2		Interdependence and gains from trade	Chapter 3 N. Gregory Mankiw: Principles of Microeconomics, 9th edition, Cengage Publishers,2021
3		The market forces of supply and demand	Chapter 4 N. Gregory Mankiw: Principles of Microeconomics, 9th edition, Cengage Publishers,2021
4		Elasticity and its application	Chapter 5 N. Gregory Mankiw: Principles of Microeconomics, 9th edition, Cengage Publishers,2021
5		Supply, demand, and government policies	Chapter 6 N. Gregory Mankiw: Principles of Microeconomics, 9th edition, Cengage Publishers,2021
6		Consumers, producers, and the efficiency of markets/Quiz 1	Chapter 7 N. Gregory Mankiw: Principles of Microeconomics, 9th edition, Cengage Publishers,2021
7		Application: The costs of taxation Application: International trade	Chapter 8, 9 N. Gregory Mankiw: Principles of Microeconomics, 9th edition, Cengage Publishers,2021

8		Midterm	Chapter 1-7 N. Gregory Mankiw: Principles of Microeconomics, 9th edition, Cengage Publishers,2021
9		Externalities.Public goods and common resources	Chapter 10,11 N. Gregory Mankiw: Principles of Microeconomics, 9th edition, Cengage Publishers,2021
10		The costs of production	Chapter 14 N. Gregory Mankiw: Principles of Microeconomics, 9th edition, Cengage Publishers,2021
11		Firms in competitive markets/Quiz2	Chapter 15 N. Gregory Mankiw: Principles of Microeconomics, 9th edition, Cengage Publishers,2021
12		Monopoly	Chapter 16 N. Gregory Mankiw: Principles of Microeconomics, 9th edition, Cengage Publishers,2021
13		Monopolistic competition	Chapter 17 N. Gregory Mankiw: Principles of Microeconomics, 9th edition, Cengage Publishers,2021
14		Oligopoly. The markets for the factors of production	Chapter 18,19 N. Gregory Mankiw: Principles of Microeconomics, 9th edition, Cengage Publishers,2021
15		Final Exam	