



**Course:** Economics I (ECO 200)  
**Section:** 002  
**Term:** Fall 2020

### Instructor Information

<b>Instructor name:</b> Dr. Omar Joya	<b>E-mail address:</b> <a href="mailto:ojoya@auaf.edu.af">ojoya@auaf.edu.af</a>
<b>Office location:</b>	<b>Other instructors teaching this course:</b>
<b>Office hours:</b> Thursdays (15:00 – 17:00 on skype (ID: omar.joya310))	Dr. Lutfi Rahimi ( <a href="mailto:lrahimi1@auaf.edu.af">lrahimi1@auaf.edu.af</a> )

### General Course Information

<b>Location:</b>	
<b>Meeting Days/Times:</b>	<b>Online until October 24</b> <ul style="list-style-type: none"><li><b>Synchronous (live) Q&amp;A sessions</b> will be held once a week on Mondays between 17:00 and 18:00 either on Zoom or on Canvas Conferences.</li></ul>
<b>Catalogue Course Description:</b>	<p>This course introduces basic theories and concepts in microeconomics. Topics include: consumer preferences and choice; game theory; efficiency and fairness; firms and markets; supply and demand; and market failures.</p> <p>The course will familiarize the students with the fundamental concepts in economics, enabling them to understand important economic phenomena in the real world which affect businesses and people's lives. The course aims to build/improve analytical thinking, and develop basic skills for reading graphs and understanding of economic data.</p>
<b>Prerequisites:</b>	
<b>Course Format:</b>	Lectures, Readings, Exercises, Assignments.
<b>Canvas Link:</b>	<a href="https://auaf.instructure.com/courses/1990">https://auaf.instructure.com/courses/1990</a>
<b>Software Required:</b>	

**Course Learning Outcomes as Correlated to Program Outcomes**

**Undergraduate Program Objectives**

1. Graduates will demonstrate effective communication skills as they relate to business disciplines.
2. Graduates will have knowledge of business concepts, tools, and techniques commonly applied in business.
3. Graduates will be able to solve organizational problems.
4. Graduates comprehend professional legal norms and ethics in a business environment.

Course Outcomes Aligned with Program Outcomes	Relevant Program Outcomes
<p>By the end of the course, the students will understand:</p> <ul style="list-style-type: none"> <li>• The big picture about how the global economy came to look as it does today.</li> <li>• How decisions are made under scarcity and when individuals are faced with trade-offs between two motives.</li> <li>• How strategic interactions take place between economic actors.</li> <li>• How a profit-maximizing firm interacts with its customers, and how markets operate.</li> <li>• When market outcomes are efficient, and when market failures happen.</li> </ul>	<ol style="list-style-type: none"> <li>2. Graduates will have knowledge of business concepts, tools, and techniques commonly applied in business.</li> <li>4. Graduates comprehend professional legal norms and ethics in a business environment.</li> </ol>

**Course Materials**

<p><b>Required:</b></p>	<p><b>Textbook:</b></p> <p>Bowles, S., W. Carlin, and M. Stevens. 2017. <i>The Economy: Economics for a changing world.</i> The CORE Project. Oxford University Press. New York.</p> <p>E-book portal: <a href="https://www.core-econ.org/">https://www.core-econ.org/</a></p> <p>Students are required to create a student account using the above link, in order to access the following resources that accompany the book:</p> <ul style="list-style-type: none"> <li>• E-book: <i>mandatory</i></li> <li>• Quiz bank (MCQs with explanations for the answers; Correspond to "Questions" in the textbook/e-book): <i>mandatory</i></li> <li>• "Economist in Action" videos (short videos on key topics discussed in every chapter): <i>recommended</i></li> <li>• Glossary: <i>optional</i></li> </ul> <p><b>Additional Resources:</b></p>
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	<ul style="list-style-type: none"> <li>Lecture slides provided in <a href="#">Modules: recommended</a></li> <li>Lecture videos (narrated slides by Dr. Omar Joya) on YouTube, which are published on a weekly basis in the <a href="#">Modules: recommended</a></li> <li>Exercises (in E-book) with Answers provided in <a href="#">Modules: mandatory</a></li> <li>Additional exercises provided in <a href="#">Modules: mandatory</a></li> <li>"<a href="#">Ramin's run-throughs (Links to an external site.)</a>" (short lecture videos explaining the economic models covered in the textbook): <i>recommended</i></li> </ul>
<b>Suggested:</b>	

### Course Assessment

Assessment Type	Explanation	Contribution to total grade
Participation/ Discussion	There will be 7 graded discussions.	14%
Assignments	There will be 3 graded assignments for this course.	50%
Quizzes	There will be 3 tests (quizzes/MCQs).	36%

Course grades will follow the guidelines as set forth in the university catalog. The final course grade will be based on the following table:

Grade	Marks	Points	Description
A	94 - 100	4.0	Excellent
A-	90 - 93	3.7	
B+	87 - 89	3.3	
B	84 - 86	3.0	Good
B-	80 - 83	2.7	
C+	77 - 79	2.3	
C	74 - 76	2.0	Satisfactory
C-	70 - 73	1.7	Pass
D+	67 - 69	1.3	
D	60 - 66	1.0	
F	0 - 59	0.0	Fail

## Modules

The following modules are available to students through Canvas:

<https://auaf.instructure.com/courses/1990/modules>

### **Introduction**

The Capitalist Revolution (Unit 1)

### **Consumer choice and preference**

Scarcity, Work, and Choice (Unit 3)

### **Institutions and social outcomes**

Social Interactions (Unit 4)

Property and Power: Mutual Gains and Conflict (Unit 5)

### **Firms and markets**

The Firm and its Customers (Unit 7)

Supply and Demand: Price-taking and Competitive Markets (Unit 8)

### **Market failure**

Markets, Efficiency, and Public Policy (Unit 12)

## Course Detailed Description and Tentative Schedule

Please see the weekly schedules and the course structure in the [Modules](#) page in Canvas, which includes the selected exercises from the textbook for each chapter/unit, discussions, additional exercises, assignments, and recommended 'Economist In Action' videos.

## I. Introduction

### **The Capitalist Revolution (Unit 1)**

Discussion exercises: 1.6, 1.7, 1.8, 1.9

Exercises to solve: 1.2, 1.4

### **Scarcity, Work, and Choice (Unit 3)**

Discussion exercises: 3.1, 3.8, 3.10

Exercises to solve: 3.2, 3.3, 3.4, 3.7

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### **Assignment 1**

Question 1: Why industrial revolution happened in Europe and not in Asia/Afghanistan?

Question 2: With reference to the definition of capitalism (market competition, private ownership, and specialization) in your textbook, compare the current Afghan economic system?

(1200 Words, 20 Marks, Answer only ONE of the questions)

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**Quiz 1** (12 multiple answers and multiple choice questions)

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## II. Institutions and Social Outcomes

### Social Interactions (Unit 4)

Discussion exercises: 4.2, 4.4, 4.8, 4.9

Exercises to solve: 4.10, 4.12, 4.13

### Property and Power: Mutual Gains and Conflict (Unit 5)

Discussion exercises: Exercises to solve: 5.1, 5.5, 5.8

Exercises to solve: to solve: 5.4, 5.9

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### Assignment 2:

Question: With references to economics allocation and policy measures, discuss competition/meritocracy vs equality.

Assignment 2 explained (also see Unit 5 of the Core Economy): The idea is to understand different assumptions behind different economic policy approaches. Economic policies broadly speaking are based on one of the following two objectives:

1) Equal opportunities (principles of competition and pure meritocracy). This argues for a “procedural judgement of fairness” and the process taking place behind what the American Philosopher John Rawls calls “veil of ignorance” (Property and power, Unit 5).

2) Alternative proposal argues that “one-size fits all” approach is problematic and there are specific circumstances where “equality” and “justice” are best served if we pursue outcome-based policies. Assessing inequalities of final outcomes through a “substantive judgement of fairness” (Property and power, Unit 5).

You are to discuss the differences in these assumptions. In the second half of your assignment, you are to choose an example (any country preferably Afghanistan) and critically discuss its merits and downsides.

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**Quiz 2** (12 multiple answers and multiple choice questions)

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### III. Firms and markets

#### The Firm and its Customers (Unit 7)

Discussion exercises: 7.7,

Exercises to solve: 7.1, 7.2, 7.3, 7.6

#### Supply and Demand: Price-taking and Competitive Markets (Unit 8)

Discussion exercises: 8.1, 8.5, 8.7, 8.8, 8.10

Exercises to solve: 8.3, 8.4

### IV. Market Failure

#### Markets efficiency and public policy (unit 12)

Discussion exercises: 12.1, 12.6, 12.7, 12.8

Exercises to solve: 12.3, 12.4

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#### Assignment 3

Download the book "What Money Can't Buy: The Moral Limits of Markets". In this book, Michael Sandel provides more than 50 real-life cases that show the limits to "market". Each case is described in 1-2 pages.

You are required to choose one case from this book (by writing your name in this Google Sheet page (Links to an external site.); and discuss the case/topic based on the following concepts that you have studied in this course so far (incl. in Unit 12):

Pareto efficiency, fairness, asymmetric information/ principal-agent problem, hidden action (moral hazard), hidden attributes (adverse selection), negative externality, incomplete contracts, and missing markets.

In your assignment, you must discuss/reference at least three or more of these concepts. You must read the case and write your reflections in your own words in 800-1000 words.

Note: The selection of cases/topics is by first-come-first-serve basis. Therefore, if a case/topic is already taken by another student, you are advised to select another one. A case/topic must not be selected by more than 1 student.

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#### Quiz 3 (12 multiple answers and multiple choice questions)

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