



SOUTHERN ILLINOIS UNIVERSITY CARBONDALE  
SCHOOL OF ANALYTICS, FINANCE AND ECONOMICS  
ECON 240-006: Introduction to Microeconomics- Fall 2025

Instructor: Anusha Illukkumbura.

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Office: Faner Hall 4043

Office Hours: TT 10:00am-11:00 a.m (appointment preferred)

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Lecture Time and Location: TT, Faner Hall 1005, 12:35-1:50 pm

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**Textbooks:**

Foundations of Microeconomics (9<sup>th</sup> edition) by Robin Bade and Michael Parkin

Engineering Economy (17<sup>th</sup> edition) by William G. Sullivan, Elin M. Wicks, C. Patrick Koelling

**Other Relevant Textbooks:**

Fundamentals of Engineering Economics by Chan S. Park, Second Edition, Pearson/Prentice Hall Publishing, 2009

Contemporary Engineering Economics by Chan S. Park, Fourth Edition, Pearson/Prentice Hall Publishing, 2007

Engineering Economy and the Decision-Making Process by Joseph C. Hartman, Pearson/Prentice Hall Publishing, 2007

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**Course Description**

This course introduces students to key microeconomic principles and their application in engineering. Topics include supply and demand, market equilibrium, firm behavior, optimal production, and economic analysis techniques such as the time value of money, evaluating the project and economic value assessments. Using "Foundations of Microeconomics" by Bade & Parkin and Engineering Economy by William, Elin, & Patrick, students will enhance critical thinking and economic analysis skills through real-world scenarios. This course equips students with essential tools for effective decision-making in their engineering careers.



## Course Objectives

Upon completing the course, students will understand key theories and concepts related to evaluating and financing capital projects. They will recognize the complexities and risks that come with making investment decisions. This knowledge will enable them to make informed financial and economic choices when participating in or leading projects as managers. Additionally, students will develop skills to analyze practical problems and effectively communicate their results. They will also appreciate the importance of the time value of money in decision-making and will be equipped to conduct various economic and financial analyses using appropriate tools and techniques.

### Dates and Chapters for Introduction to Economics, SIU Custom Edition

Weeks	Chapters	Chapter Title	No. of Classes
Week 1	Chapter 1	Introduction and Getting Started	
Week 2	Chapter 2	The U.S. and Global Economies	
Week 3	Chapter 3	The Economic Problem	
Week 4	Chapter 4	Demand and Supply	
Week 5	Chapter 14	Production and Costs	
Week 6	Chapter 15	Perfect Competition	
Week 9-10	Chapter 4	The Time Value of Money	
Week 9-10	Midterm		
Week 11-12	Chapter 5	Evaluating a Single Project	
Week 13	Chapter 6	Comparison and Selection among Alternatives	
Week 14-15	Chapter 7	Depreciation and Income Taxes	
Week 16	Chapter 10	Evaluating Project with the Benefit-Cost Ratio Method	
Week 17	Final Exam		

**This syllabus is subject to change. All changes will be duly noted via D2L announcements.**



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## Course Assessment

The course assessment will be determined by , class attendance, Online Quizzes, a midterm exam, and the final exam.

**Homeworks (40%) :** There will be 10 online homeworks, crucial for midterm and final exam preparation. Each homework is worth 4%.

**Midterm exam (25%) and Final Exam (25%):** During the exam, students must refrain from communicating with each other. Phones and notes are prohibited. Homeworks, and lecture notes will be helpful in preparation for the exam.

**Class Activities and Final Course Evaluation (10%):** This portion of your grade is based on regular class attendance, active participation, and your motivation to complete the course.

*Note: If you think you have a valid reason (medical emergency and representing SIUC for sports) for missing an exam, you must discuss it with me before the exam. If you do not get my approval beforehand, the missed exam will receive a grade of zero.*

Grade	GPA	Marks Range (%)
A	4.00	93–100
A-	3.67	90–92
B+	3.33	87–89
B	3.00	83–86
B-	2.67	80–82
C+	2.33	77–79
C	2.00	73–76
C-	1.67	70–72
D+	1.33	67–69
D	1.00	60–66
F	0.00	Below 60

## Exam

### Midterm: TBA

Midterm exam will cover Module 1, Module 2 and related Quizzes(1 to 5)

### Final: TBA

Final Exam will cover Module 3, Module 4 and related Quizzes (6 to 10)



**Course outline (Subject to change throughout the semester)****Module 1**

Chapter 1 and 2: Introductory Material and The US and Global Economies

Definitions and Questions, Economic Way of Thinking, What, How and For Whom, The Global Economy, The Circular Flows

Chapter 3: The Economic Problem

Production Possibilities, Opportunity Cost, Economic Growth, Specialization and Trade

**Module 2**

Chapter 4: Demand and Supply

Demand, Supply, Market Equilibrium

Chapter 14: Production and Costs

Economic Cost and Profit, Short Run Production, Short Run Cost and Long Run Cost

Chapter 15: Perfect Competition

A Firm's Profit Maximizing Choices, Output, Price and Profit in the Short-Run, Output, Price and Profit in the Long-Run

**Module 3**

Chapter 4: The Time Value of Money

Introduction, Simple Interest, Compound Interest, The Concept of Equivalence, Cash-Flow Diagrams and Tables, Relating a Uniform Series to Its Present and Future Equivalent Values

Chapter 5: Evaluating a Single Project

Introduction, Determining the Minimum Attractive Rate of Return, The Present Worth Method, The Future Worth Method, The Annual Worth Method, The Internal Rate of Return Method

Chapter 6: Comparison and Selection among Alternatives



Basic Concepts for Comparing Alternatives, The Study (Analysis) Period, Useful Lives Are Equal to the Study Period, Useful Lives Are Unequal among the Alternatives, Personal Finances

## Module 4

Chapter 7: Depreciation and Income Taxes

Depreciation Concepts and Terminology, The Classical (Historical) Depreciation Methods, The Modified Accelerated Cost Recovery System, A Comprehensive Depreciation Example, Introduction to Income Taxes, The Effective (Marginal) Corporate Income Tax Rate, Gain (Loss) on the Disposal of an Asset, General Procedure for Making After-tax Economic Analyses

Chapter 10: Evaluating projects with the benefit cost

Objective of Benefit-Cost (B-C) Analysis for Public Projects , Unique Characteristics and Challenges of Public-Sector Projects , Selecting an Appropriate Interest Rate for Public Projects , Benefit-Cost Ratio Method: Conventional vs. Modified (PW and AW forms) , Project Selection Rules: Independent vs. Mutually Exclusive and Incremental B-C Analysis, Handling Disbenefits and Classification: Added Benefits vs. Reduced Costs

### Academic Dishonesty

It is crucial to emphasize that posting course materials, including lecture slides, assignments, or solutions, on public websites is considered cheating and plagiarism. Students caught engaging in this practice will be subject to penalties determined by the School of Analytics, Finance, and Economics and SIUC. Moreover, their grades could be adjusted retroactively even after the course has ended if such misconduct is discovered.

### Mental Health Support/Student Health Services

