

Book Review

Fundamentals of Microeconomics, by Zubair Hasan and Habibah Lehar, Selangor: Oxford Fajar, 2011, 328 pp.

This 1st edition of *Fundamentals of Microeconomics* released recently by Zubair Hasan and Habibah Lehar includes economic models, theory, and real-world coverage of some latest developments within the field. Theories and advanced microeconomic concepts are accurately and clearly presented, making this a popular textbook.

As such it is intended to assist beginning students to: master principles essential for understanding the economizing problem, specific economic issues, and policy alternatives; help them understand and apply economic perspectives and reason accurately and objectively about economic matters; and promote a lasting interest in economics and their national economy. The textbook is designed for first-year undergraduate courses in business and economics at various institutions of higher learning in Malaysia. However, it can be used by pre-university students as well, covering microeconomics in a clear and concise fashion that emphasizes both the history of the field and where it is today, in 13 chapters.

Each chapter has a theoretical as well as a practical component making the book beneficial both to teaching staff and students. Each chapter begins with learning objectives and includes short exercises. At the end of each chapter, glossaries, chapter summaries, case studies, concepts for review, a test question and web exercise are listed to assist the reader in mastering the difficult topic of microeconomics. The case studies are especially interesting as they pertain to real-life and are thus more appropriate to contemporary economic scenarios than the theoretical components.

The book is reader-friendly and by enabling readers to work with theory, real-world applications and new developments, it illustrates the various ways that economic models can be applied. Problems at the end of each chapter include mathematical exercises as well as those that are theoretical and analytical in nature. As an economics textbook it features graphical presentations designed to tie mathematical concepts to microeconomic theory. However with its use of graphical and numerical examples, *Fundamentals of Microeconomics* is more reader-friendly than many other texts and follows a concept from start to finish, providing applications for the information covered.

There are two prominent aspects that differentiate this book from other Microeconomic textbooks. First, the authors have incorporated the Islamic

dimension wherever appropriate (in almost all chapters) to supplement emerging Islamic Economics. Second, the authors have included a chapter to tackle environmental issues, sustainability and impacts on the market. Fundamental environmental concepts are outlined. Basic tools for analysis are discussed using the demand and supply framework. Standard remedial measures are also covered, including the Coase Theorem. Sustainability from Islamic or more accurately *Qu'ranic* perspectives are discussed. Most Microeconomics textbooks lack these emphases.

Yet as with most other textbooks, all fundamental microeconomic aspects are covered. The basic flow that can be seen in any Microeconomics textbook can be seen here, starting with “What is Economics About?” When discussing the economic system, authors have embedded an Islamic view. Chapter 2 explains theories and concepts related to demand and supply. This can be found in any Microeconomics textbook. Chapter 3 covers elasticity of demand and supply. Theory is supported with easily understood formulas and calculations, while elasticity is linked briefly with Islamic Economics. In Chapter 4, even though basic theory and application on consumer behaviour is explained, the authors have clearly linked Islam with consumer behaviour. Chapters 5 and 6 cover production and cost concepts extensively.

Chapters 7, 8 and 9 are on market structures, with Islamic values being inserted wherever applicable. These chapters provide interesting way to look at the market structures from an Islamic point of view. Chapters 10, 11 and 12 cover the factor market. Islam in income distribution, the notion of “*amanah*”, Islamic redistributive measures, Islamic approach to labour and wages, trade unionism in Islamic perspectives, and concepts of rent, interest and profit in Islamic economics are discussed. Chapter 13 is an added bonus to this textbook as it covers what other Microeconomics textbook have missed, a chapter on environment and sustainability.

In sum, the way the book is organized and written is appropriate for readers (non-economists and economists alike). Enhanced understanding is made possible through illustrations of how economic principles govern daily life events. Examples and explanations enable anyone to understand the topic and then clearly explain it to someone else. Readers will learn how to critique various economic policies from the perspective of the incentives these create. The audience for this book is not limited to students, as any citizen who wants a greater understanding of how the economy functions will find it helpful.

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