

BITS PILANI, DUBAI CAMPUS
ACADEMIC – UNDERGRADUATE STUDIES DIVISION
FIRST SEMESTER 2022-2023

Course Handout (Part II)

Date: 01/09/2022

In addition to part-I (General Handout for all courses appended to the timetable) this portion gives further specific details regarding the course.

Course No : ECON F211 (3 0 3)
Course Title : PRINCIPLES OF ECONOMICS
Instructor-in-charge : Dr. Sartaj Rasool Rather
Instructor : Dr. Sartaj Rasool Rather

Scope and objective of the course:

Principles of Economics is a foundation course that introduces the fundamental concepts and tools necessary to acquire an understanding of the economic decision making of market participants such as individual households, firms, and the government. The course coverage primarily encompasses the two major areas within economics namely Microeconomics and Macroeconomics. The elementary discussion concerns scarcity and allocation of resources, benefits of trade, the supply and demand model and the individual behavior concerning their utility maximization. Thereafter, under a perfect competition assumption the study of the behavior of profit maximizing firms is undertaken to establish a relationship between the cost of production and the output supply. A brief discussion on imperfect market such as monopoly and its variants follows to illuminate the dangers of uncontrolled market power resulting from a complete monopoly. The last part of the course focuses on the study of macroeconomics i.e. variables at aggregate level. Emphasis here is to enable student to understand how individual behavior of households and business along with global trade and actions of government determine the aggregate demand for goods and services. Discussion on key macroeconomic variables such as the Gross Domestic Product, National Income, Inflation, Unemployment, Interest rate, and Money Supply etc. is primarily motivated to enable students to understand the relevance of these variables in the context of the global economy.

Course Pre/Co- requisite (if any) & Catalogue / Bulletin Description: *Given in the Bulletin 2021-2022.*

Text book [TB]:

Case E. Karl, Ray C. Fair and Sharon Oster, "Principles of Economics", Pearson Education Inc., 9th Edition, 2009.

Reference book(s) [RB]:

- R1. Mankiw N. G., "Principles of Economics" South-Western College Publication, 6th Edition (2011)
R2.H.Craig Petersen & W.Cris Lewis, "Managerial Economics" Prentice Hall of India, 4th Edition, 2008
R3. Lipsey, R. G. & K. A. Chrystal, "Economics", Oxford University Press, 11th Edition, 2007

Course plan:

Lecture No.	Learning objectives	Topics to be covered	Chapter Nos. (TB)
1-2	To learn why should we study Economics	The Scope and method of Economics	Lecture notes, 1
3-5	Understanding the problem of scarcity	The Economic Problem: Scarcity & Choice	Lecture notes, 2
6-8	To learn about the elements of market and the price determination	Demand, Supply and Market Equilibrium	Lecture notes, 3
9-11	To learn the applications of demand & supply	Elasticity	Lecture notes, 4
12-14	To learn about utility maximizing behavior of consumers	Household Behavior and Consumer Choice	Lecture notes, 5
15-17	To learn about the profit maximizing behavior of firms	Production functions and production decisions of firms	Lecture notes, 6
18-22	To learn the various concepts related to the costs of productions	Costs structure of firms and profit maximization	Lecture notes, 7, 8
23-26	To get an idea about Input pricing: land, labor, capital	Input demand: The labour and land market, the Capital Market and the Investment Decision	Lecture notes, 9, 10

27-32	To learn various market structures	Monopoly, Imperfect Competition	Lecture notes, 12, 13, 14
33-35	To learn the Externalities and Public goods	Externalities; Private costs and Social costs	Lecture notes, 15
36-40	To learn about the elements of Macroeconomics, measurement of Macroeconomic variables	Macroeconomic concepts and National Income accounting,	Lecture notes, 19, 20
41-42	To learn about role of money, banking and credit creation	Money Supply – concept and functions, central banking	Lecture notes, 23

Evaluation scheme:

EC N0	Evaluation Components	Nature of Component	Duration	Weightage %	Date & Time	Venue
1	Quiz-1	Open Book	20 Minutes	10	TBA	To be announced
2	Mid-Sem Examination	Closed Book	90 Minutes	30	03.11.22 (FN)	
3	Assignment/Presentation	Open Book	-	20	TBA	
4	Comprehensive Examination	Closed Book	3 Hours	40	28.12.22 (FN)	

Attendance & Makeup policy:

All 2nd, 3rd & 4th year students should have a minimum of 60% and 1st year students should have a minimum 70% of attendance in each course to be eligible to appear for final / comprehensive examination. *Make-up (only one) for a component of evaluation will be given only in genuine cases of absence, if prior permission is taken.*

Notices: All notices regarding this course will be displayed on HSS / Google Classroom Notice Board.

Instructor-in-Charge
ECON F211

Chamber Consultation Hour: Monday 6th hour (Chamber No. 122);
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