

Lecture-2

Day: Thursday

Time:

Date: 10/8/23

Razia
Ma'am

TOPIC NAME: Introduction

Economies:

The word economies comes from the word household Management.

OIKONOMIA (Greek word)

* Before 1776 there was no economics word.

→ Economy

BB minnhaq → Economics

Micro

(Individuals, firm etc)

Macro → national/international

(National income, National savings, National investments etc)

* Adam Smith published An Inquiry into the Nature and Causes of the Wealth of Nations.

Father of Economics. in short wealth of nation.

* 15th - 18th century → implications of economic nationalism (AKA mercantilism).

Definition:

① Adam Smith → slide

② John Baptst → slide

③ F.A. Walker → slide

④ Marshall → slide → Neo Classical

⑤ Robbins → slide → Modern

↳ যৌবন, অভিযোগ, প্রযোজন করে।

* অধিক অংশ, জীবিত বস্তু এর combination এর
যাত্রা কোনো Economics.

According to Robbins Definition

① Multiplicity of wants

② Scarcity of resources

③ Alternative uses of means

Summarize Definition → slide (Page - 6)

- Want

- Want → multiplicity → produced after after

- (Gazilakosmik ও) multiplicity synonymous

TOPIC NAME:

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What is economics?

⇒ introduction + 2/3 জনের Definition + Summarize

বেশি অনেক প্রশ্ন হিসেবে থাকবে তার পর এর definition

→ Ques number এর মুল দেখাবে করেও উত্তর.

Important terms:

① Achievement → infrastructure

② Maintenance → Specific individual

③ Development → 5-6 or many sector growth

= Development

④ Page → পৃষ্ঠা

Highlighted Term:

① Scarcity:

free good → স্বাক্ষর গোচর

Economic good → স্বাক্ষর / নির্বাচিত গোচর

মুদ্রার

বর্ণ ব্যৱহাৰ

Highlighted Term:② choice: for want + scarcity +

In case of Scarcity, we have to make choice.

Specialization -

→ Special ability in one field.

→ ये व्यक्ति किसी भी व्यक्ति पर नहीं होता।

Always holds price no. 0-2

Microeconomics:

↳ individual / firm

↳ ज्यादा economies के बीच टेक पात्र

→ जनक = Adam Smith

Macroeconomics: Σ Micro = Macro

जनक → John Maynard Keynes (JM Keynes)

↓ 1936 book sign

The General Theory of Employment, Interest, and Money.

* * * Difference between macro & micro. ৰিভেন্যু

* Page 14-16-এতে মাত্রত মুক্তি কোথা থাকবে ?

Positive Economics:

* Goods and service are both product in economies.

⇒ মাত্রত দিয়েই আয় করলে, তারপর বাস্তু।

* চলমান ও ইটনা positive item নয়।

Normative Economics:

* Suggestions দিতে চলমান ইটনা এইগুর।

Positive and Negative:

দায় বাস্তু, ধীর্ঘ বাস্তুগুলো positive item।

(+)

(-)

(+)

concerned (৩)

(+)

bestim (৪)

(+)

benefit (৫)

The Key Problems of an Economy's Organization:

key term: What is and How PI 9/209 *

Mainly 3 Basic problems:

① As a country have

② What to produce and how much?

③ How to produce?

④ For whom to produce? → Distribution system

→ Production method

① Labour intensive

② Capital intensive

Solution of the 3 Basic Problems:

① Market Economy

② Command "

③ Mixed "

④ Traditional "

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Market Economy: ~ is one in which the market decides the prices + quantity.

① Any product, that will give us the highest profit.

② Give us the lowest cost.

③ Maximum satisfaction.

Lecture-4

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Tuesday

Introduction to Economics

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Malam

Command Economy → Bridge misleads ←

Market Economy:

1. Decision taken by Govt planning division,
Small room for personal freedom.

⇒ Opposite of market economy.

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Mixed Economy :

Market + Command.

* * * Am ৰাষ্ট্ৰ কৃষি দেশ + which economy
System mention কৰা আছে ?

Opportunity cost:

মুক্ত চোখে একটি পূর্ণ সম্ভব
বা, এটি চোখে একটি বা সম্ভাবনা /
পুনৰ্বিন্দিত চোখে একটি অপুর্ণ সম্ভব
চোখে।

→ এই চোখে কোনোটি পুনৰ্বিন্দিত কৰা আছে,

→ Decision making.

→ যদি choose কৰিন্নাই

=> Opportunity cost = $F_C - C_O \rightarrow$ যদি choose কৰিন্নাই

* * * short note on opportunity cost

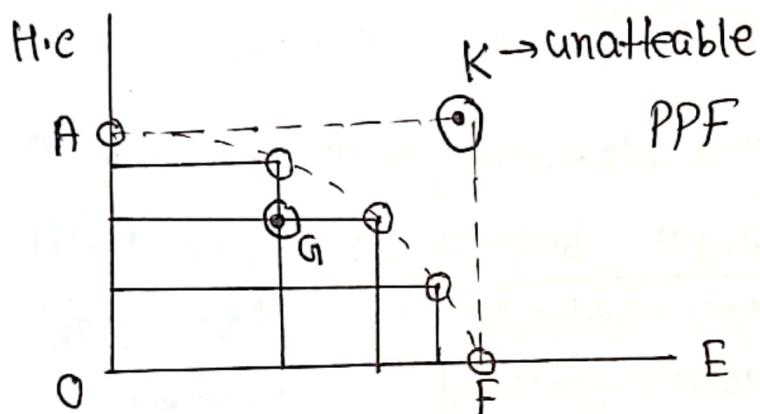
• Vicious fashion to shirk &

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TOPIC NAME : Production Possibilities Frontier

Production Possibilities Frontier:

⇒ Graph that shows different output of some goods that are available.



Scarcity, choice, opportunity cost

- ⇒ All the point lies on the PPF are efficient productively.
- ⇒ Any point outside PPF are inefficient productively as resource limited / unattainable.
- ⇒ Graphically inefficient resource utilization

6/9/23 → Ma'am reminder Inc
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Lecture-5

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TOPIC NAME: Theory of Demand

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TIME:

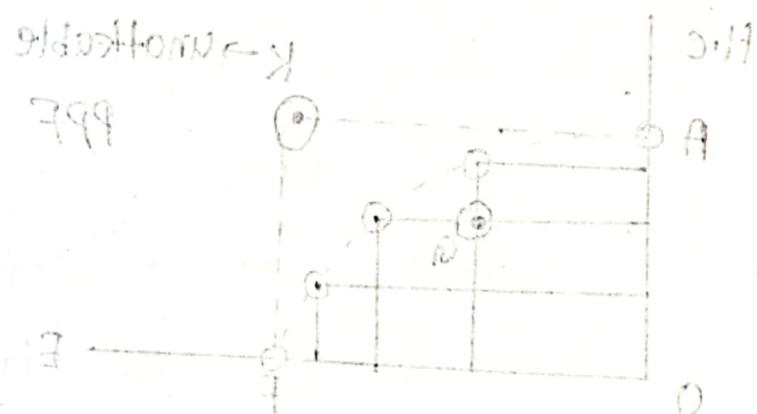
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Market:

Unit-2

① Demand → consumer behaviour

② Supply → producer behaviour.



Demand रोते तिथा घल रहा?
Law of Demand: There is an inverse relationship between Price and Quantity demanded, when other factors are held constant.

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Constant Factor:

$$\Rightarrow \begin{cases} P \uparrow & Q_d \downarrow \\ P \downarrow & Q_d \uparrow \end{cases} \quad \text{Law of Demand.}$$

"Other factors are in constant."

1. Consumers income/Household income
2. Price of other related goods.
3. Taste and preference
 - (i) Substitute goods
 - (ii) Complementary goods
4. Expectation about future price/future income
5. Weather condition

⊕ There is a functional relation between ~~demands~~ Price and quantity demanded is called Demand Schedule.



⊕ The graphical ~~schedule~~ representation of Demand Schedule is called demand curve.

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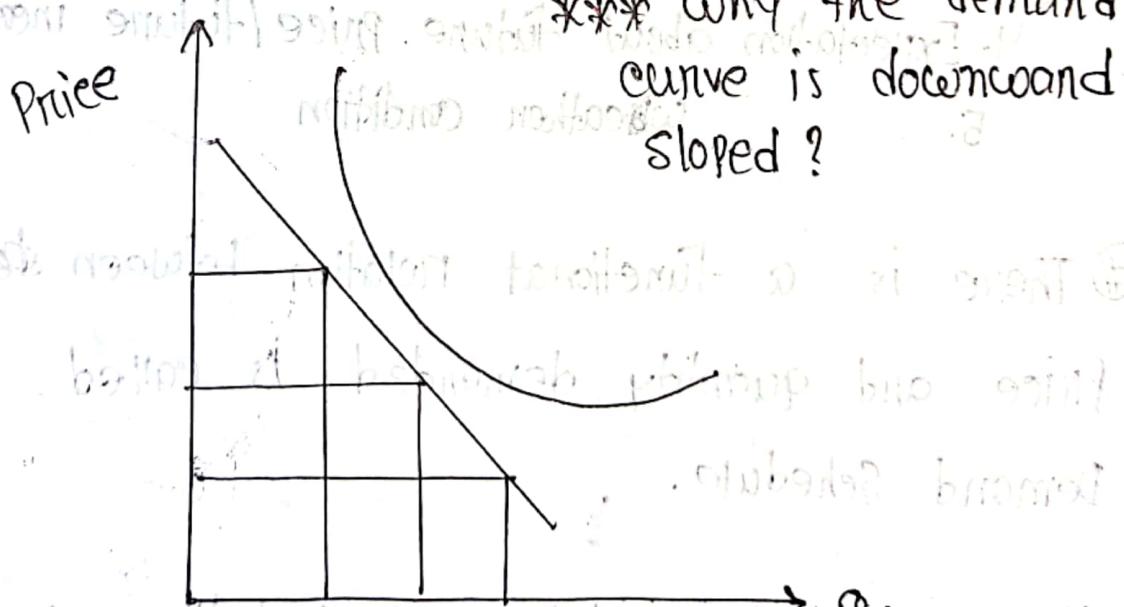
* hypothetical demand equation -

$$Q_d = a - bp$$

#

#	c	p	Q_d
1	10	10	10
2	10	12	8
3	10	14	6
4	10	16	4
5	10	18	2
6	10	20	0

Price



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Lecture-6

TOPIC NAME: Unit - 2

DAY: Sunday

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Why demand curve is downward sloping?

⇒ Inverse relation between Price & Quantity demanded.
- goes below to point ①

The reasons of inverse relation -

- ① The law of diminishing marginal utility
- ② Substitution effect
- ③ Income effect

Exception to law of Demand:

- ① Brand or Niche product by Status create luxury, demand
high value even though it is high.
- ② High value due to quality improved, though it is high.
- ③ Bandwagon Effect: The majority buy it.

Determinants of Demand:

① Income of the consumer.

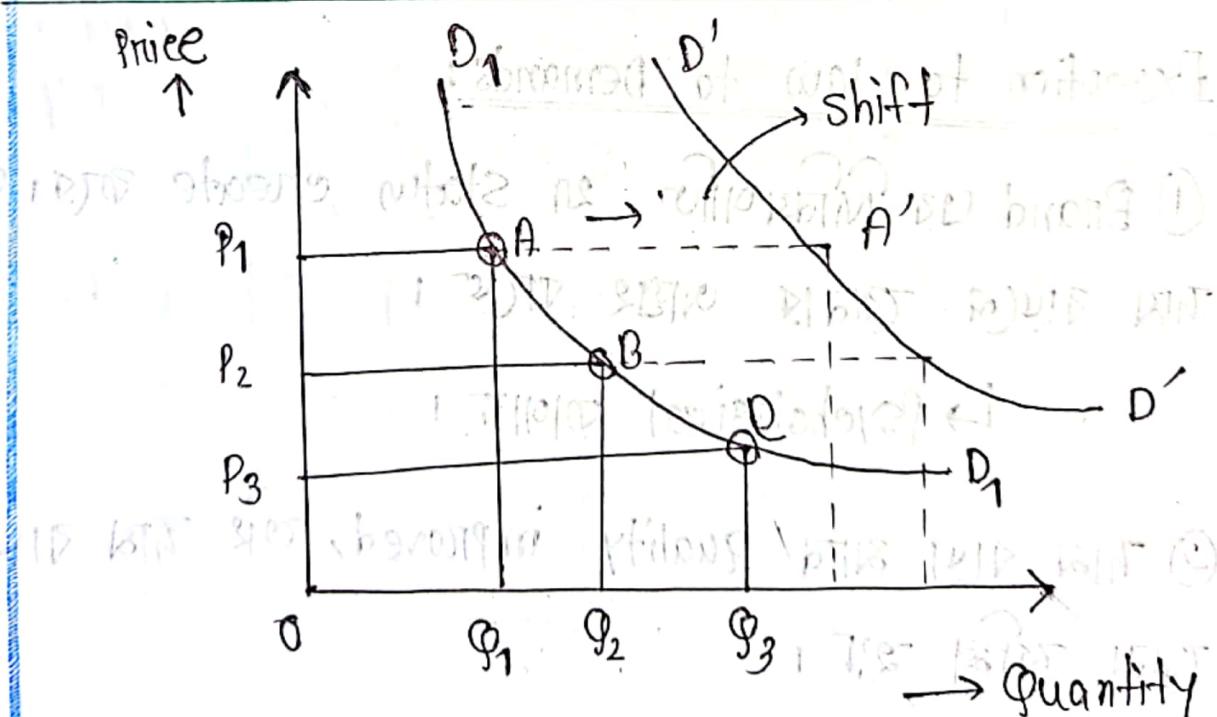
② Price of related good.

\Rightarrow Substitutes

\Rightarrow Complement

Assignment : slide (Page-28)

Submission : Next week, next class

Movement of the Demand curve:

* Shift হচ্ছে কাণ্ড, যদি তা পরিপন্থ না হয়।

বিপরীতে, তা পরিপন্থ না হয়।

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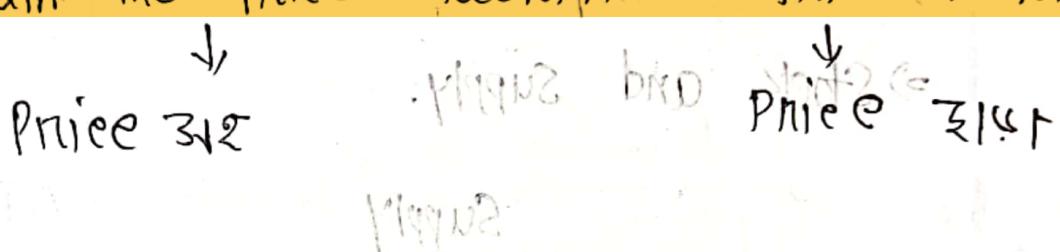
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*** Movement along the demand curve,

Shifts in the demand curve.

*** Explain the price factors, non-price factors.



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Lecturer
HSSC

Unit-3 : lecture 5 & 6

Lecture-7

14/9/23

Thursday

Theory of Supply

⇒ The amount offered for sale at a given price and time.

* Difference between stock and supply.

Supply and law of supply :

* Positive relation between supply price and quantity supplied; when other factors are remain constant.

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* Link between cost price & market price.

* Demand, supply, Price have a circular relation.

→ States supply and law of supply

→ Stock and Supply.

Supply

↓
Individual

Supply

→ Firm

↓
Market
Supply

= Summation of

↳ Price to firm individual supply.

\sum Firm = industry

→ industry.

Supply function and Supply Equation:

Supply Function:

Supply has a functional relationship with

Price: $Q_S = f(p)$. ; Other constant

Supply Equation: A hypothetical supply connection -

$$Q_S = -c + dp$$

$$Q_S = -5 + 2P \rightarrow \text{hypothetical Supply}$$

Supply Schedule:

Supply Schedule \longleftrightarrow Supply Curve (Graphical Representation)
(Overall information)

Factors Affecting supply of commodity:

Non Price factor - * What factors have been cost constant?

① Price of Related Goods

② Price of the factors of Production

③ State of Technology

④

⑤

⑥

⑦ Transportation conditions.

① Price of related goods:

② Cost of Production:

input price, wage rate, taxes etc

③ Technology: ④ Number of sellers ⑥ Natural condition

⑤ Expectation for future prices ⑦ Transportation condition

Equilibrium

Auras + Libra

→ Balance

3 types -

1. Stable
2. Unstable
3. Neutral

Equilibrium of demand and supply

* When Dc and Sc intersect each other we get only one price, at that price seller wants to sell and consumer wants to buy.

Numerical Analysis:

Price	Quantity Demanded	Quantity supplied	State of market	Pressure on Price
\$1.00	800	500	Storage	Upward ↑
\$1.20	700	550		
\$1.40	600	600	Equilibrium	Neutral
1.60	550	640	Surplus	Downward ↓
1.80	500	680		
2.00	460	700		
2.20	420	720		

Graphical representation:Price ceiling and floor price:

→ अधिकारी प्राप्ति → अनियंत्रित
Price अधिकारी प्राप्ति

Price अधिकारी प्राप्ति

Example

$$Q_D = 50 - P, Q_S = 20 + 2P$$

At equilibrium -

$$Q_D = Q_S \Rightarrow 50 - P = 20 + 2P$$

$$\Rightarrow P = 10$$

$$\text{① } Q = 50 - 10 = 40 \quad \text{② } Q = 20 + 2 \times 10 = 40$$

$$\text{Surplus} = 40 - 20 = 20$$

विद्युत वाले की बिंदु की ओर जाना चाहिए।

बिंदु की ओर जाना चाहिए।

■ Price elasticity of Demand = $\frac{\% \text{ change in quantity demanded}}{\% \text{ change in price}}$

$$\begin{aligned} E_d &= \left| \frac{\% \Delta Q}{\% \Delta P} \right| \\ &= \left| \frac{\Delta Q}{\Delta P} \times \frac{P}{Q} \right| \rightarrow \text{Point elasticity} \end{aligned}$$

Given, $Q_1 = 12, Q_0 = 6$

$\% \text{ change in quantity demanded} = \frac{12 - 6}{6} \times 100\%$

$= 100\%$

$\% \text{ change in price} = \frac{7 - 10}{10} \times 100\% = \frac{-3}{10} \times 100\% = -30\%$

$$E_d = \left| \frac{100\%}{30\%} \right| = 3.33$$

1% change in price how much quantity demanded respond.

TOPIC NAME: _____

The midpoint method:

$$Q = \frac{Q_1 + Q_0}{2} = \frac{12 + 6}{2} = 9$$

$$P = \frac{P_0 + P_1}{2} = \frac{7 + 10}{2} = 8.5$$

% change in quantity demanded = $\frac{100}{\frac{3}{9}} \times 100 = 66.667$

% change in price = $\frac{30}{15} = 20$

$$E_d = \frac{\frac{12 - 6}{12 + 6} \times 100\%}{\frac{7 - 10}{7 + 10} \times 100\%} = \frac{-0.5}{-0.15} = 3.33$$

Calculate price elasticity value1) $E_d > 1 \rightarrow$ elastic demand2) $E_d < 1 \rightarrow$ Inelastic demand3) $E_d = 1 \rightarrow$ Unitary elastic4) Perfectly Elastic demand $\rightarrow \infty$ 5) Perfectly Inelastic demand $\rightarrow 0$

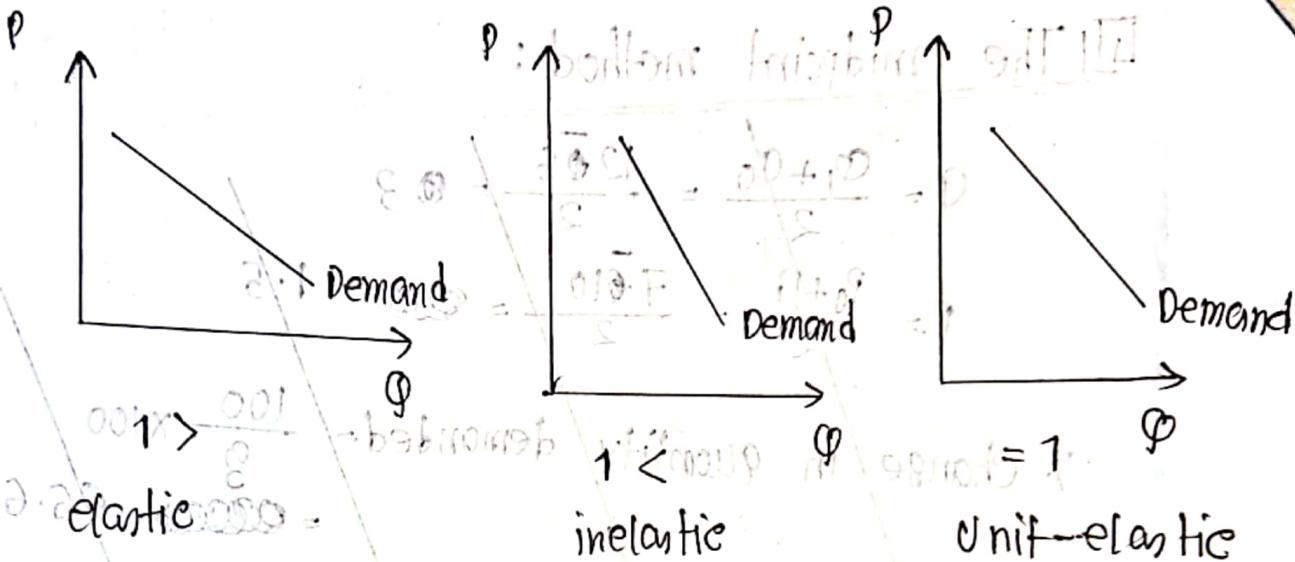
P = Price, Q = Quantity

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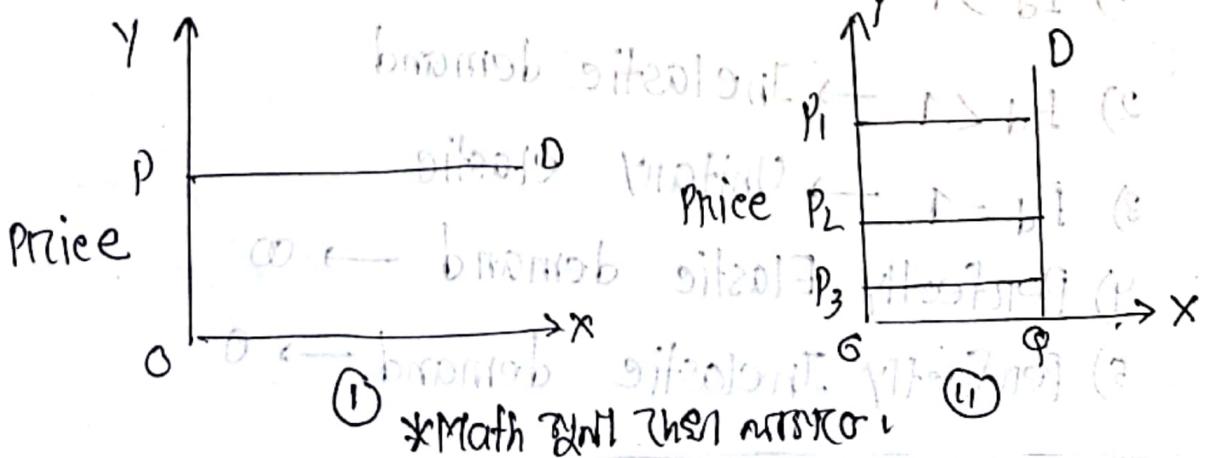
① Perfectly Elastic Demand :

When the quantity demanded dropped to zero with a little price change.

② "In-Elastic" :

When quantity demanded does not respond to increase in price.

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TOPIC NAME: Elastic DemandQ1 Price Elasticity of Demand and its Determinants:

- ⇒ Availability of close substitutes
- ⇒ Time Horizon
- ⇒ Necessities vs Luxuries
- ⇒ Definition of market
- ⇒ Addict or habit

Q2 Importance of a commodity:

The greater the uses of a product the more its price elasticity.

Q3 What determines price elasticity of demand?

- ⇒ Total Revenue, $TR = P \times Q$ = Price × Quantity

Q4 Relationship between Price elasticity & total Revenue

① When Demand is Price elastic

$$\downarrow \uparrow \\ \text{Price} \quad TR$$

⇒ Demand Price ↗

TR will go opposite direction

② When Demand is Price inelastic

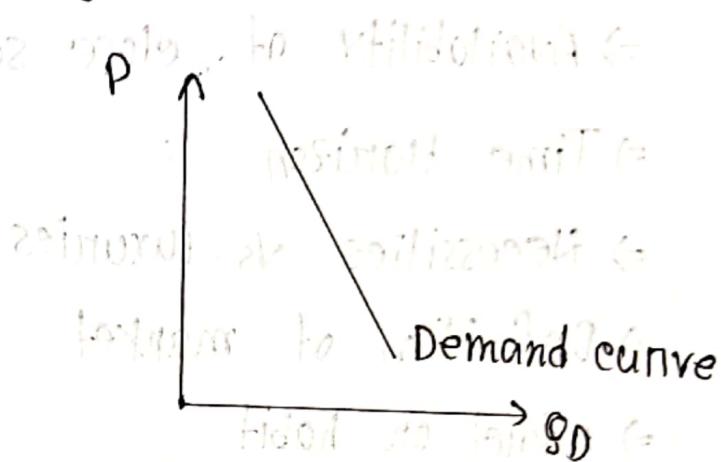
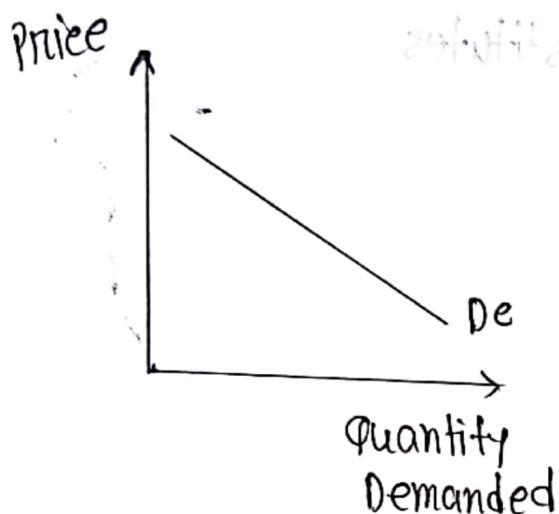
$$\uparrow \uparrow \\ \text{Price} \quad TR$$

⇒ " "

" "

same Direction

⇒ Unit elastic \Rightarrow no change in quantity demanded



⇒ Slide Page - 41, 42, (imp)

Other Demand elasticities:

→ Cross Price elasticity of Demand:

$E_{d,y} = \frac{\% \text{ change in quantity demanded of } 1 \text{ good}}{\% \text{ change in price of a related good}}$

$E_{d,y} = \frac{d Q_x}{d P_y} \times \frac{P_y}{Q_x}$; $\begin{matrix} \textcircled{x} \leftarrow \textcircled{y} \\ P \quad \text{Demand} \end{matrix}$ $\begin{matrix} \textcircled{y} \rightarrow \\ Q \quad \text{Price} \end{matrix}$

$$E_{d,y} = \frac{d Q_x}{d P_y} \times \frac{P_y}{Q_x}$$

$\begin{matrix} \textcircled{x} \leftarrow \textcircled{y} \\ P \quad \text{Demand} \end{matrix}$ $\begin{matrix} \textcircled{y} \rightarrow \\ Q \quad \text{Price} \end{matrix}$

$$E_{d,y} = \frac{d Q_x}{d P_y} \times \frac{P_y}{Q_x} ; (+) \rightarrow Y \uparrow X \uparrow = \text{two goods are substitutes}$$

$$= (+)/(-), (-) \rightarrow Y \uparrow X \downarrow = \text{two goods are complements}$$

Unrelated $\rightarrow 0$

TOPIC NAME : Income elasticity of demand

Set - 11 method DAY : 10

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→ Income elasticity of Demand:

$$= \frac{\% \text{ change in quantity demanded}}{\% \text{ change in income}}$$

if $\epsilon_D > 0$ = normal goods

if $\epsilon_D < 0$ = inferior goods

⇒ $0 < \epsilon < 1 \rightarrow$ normal & necessity

⇒ $\epsilon > 1 \rightarrow$ " & luxury

⇒ $\epsilon < 0 \rightarrow$ inferior good

Lecture - 11

Tuesday

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Elasticity Math

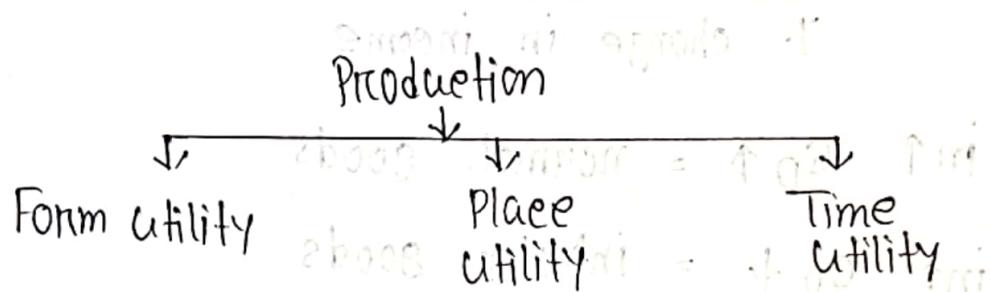
$$Q_x = 12000 - 5000P_x + 5I + 500P_c$$

(Q type math must write)

(slide 2023 2023)

Theory of production

⇒ Production = any economic activity + want of people.

Factors of production:

① Natural resources

→ Land

② Human Resources

→ Labour, Capital etc

Land:

→ Payment = Rent

→ no cost of production

Labour:

→ Human effort

Capital:

→ Part of wealth of an individual/community which is used for further production of wealth.

→ Payment = interest

→ stock - flow - interest

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→ Entrepreneur → Firm
↳ Function of Entrepreneur

① Financial Risk

② Technological Risk

⇒ Is Land capital?

Lecture-13

Production Function

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Monday

Input $\xrightarrow[\text{Relation}]{\text{Production function/ process}} \text{Output}$

⇒ Efficiency of input

① Technological ② Economic

⇒ Production function simply reveal the maximum output.

$$Q = f(L, T, R, L_d; K, \epsilon)$$

Relationship among different product:

Product:

① Total ② Average ③ Marginal

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\Rightarrow Total Product: The total output from the efforts of all factors.

\Rightarrow Average Product: $AP = \frac{TP}{\text{variable factor}}$

\Rightarrow Marginal Product: $MP = TP_n - TP_{n-1} = \frac{\Delta TP}{\Delta L}$

$$* TP = \sum MP$$

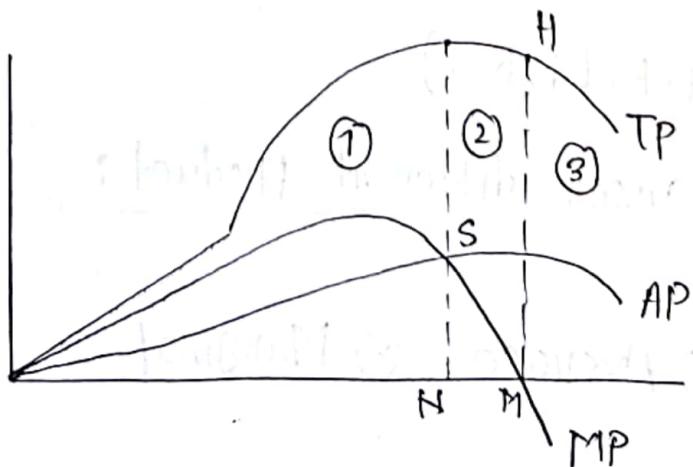
\Rightarrow Short Run: One running, others constants are variable

\Rightarrow Long Run: All factors are variable

\Rightarrow AP & MP: $MP \uparrow, AP \uparrow$ \Rightarrow TP & MP: $MP \downarrow, TP (\uparrow)$

\Rightarrow Law of Variable Proportion: (***)

\rightarrow Figure অৱ গ্রাফ কৰা আপোচো।



\Rightarrow ①, ②, ③

গ্রাফ কৰা আপোচো।
slide থেকে

২০০।

⇒ હાડાણી રાખવાય CT

Lecture-14

TOPIC NAME: Unit 7: Lecture 13, 14

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Theory of cost

↪ એક chp રથે મનું એકો ક્રેસ્ટ આપત્તિ.

⇒ Cost are the expense producing the goods.

Types:

① Fixed

↪ Do not vary
with the level of
output

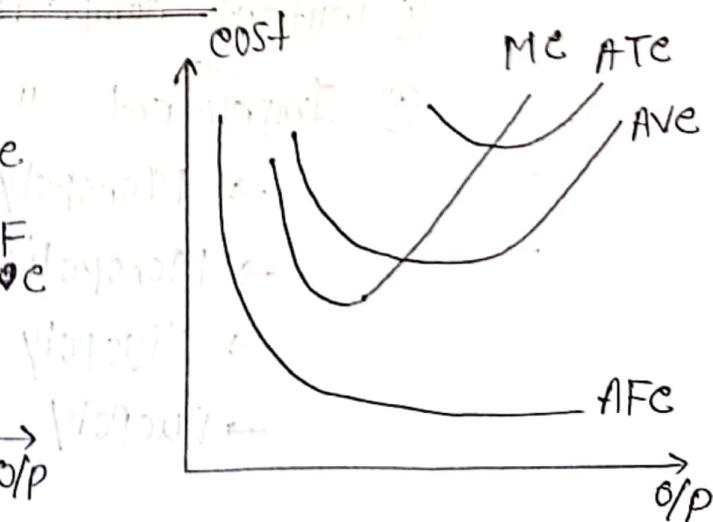
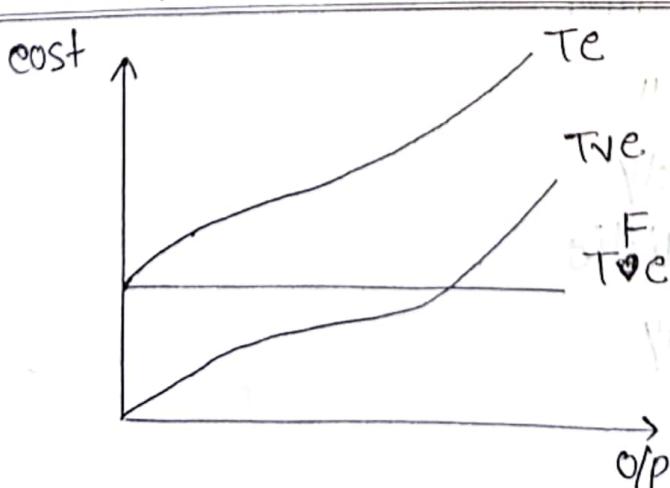
② Variable

** In the long run
all costs are
variable

$$\Rightarrow \text{Total cost} = \text{TFC} + \text{TVC}$$

$$\frac{\text{TC}}{Q} = \frac{\text{TFC}}{Q} + \frac{\text{TVC}}{Q}; \text{MC} = \frac{\Delta \text{TC}}{\Delta Q} \quad \text{AC} = \frac{\text{TC}}{Q}$$

Total cost schedule and cost curve:



- * All Ave curves are Eng 'U' shaped!
- * U shape એર કારણ માટ્ટો નાની.

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* MC, Ave এর lowest point রে cut করতে।

*** Elasticity টেক্স ক্ষেত্রে।

*** Market, Macro (একটা solid ques)

*** Micro \rightarrow 2টা. que(set)

Unit 8, Lecture 15, 16

Lecture-15

9/11/23

Thursday

Market

\rightarrow Objective অনুযায়ী প্রয়োগ করে।

Market :

① Perfect competition

② Imperfect "

→ Monopoly

→ Monopolistic

→ Oligopoly

→ Duopoly

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Market structure:

① Perfect competition (*** Details এবং মানদণ্ড)

→ Many firms

→ Homogeneous product

② Monopoly

→ Supernormal profit

③ Oligopoly

→ 2 এর টৈক্স, 10 এর বাত্র

④ Monopolistic

→ Different Product (Lux, Deter)

⑤ Duopoly

→ two firm dominate the market

(***) Market structures এর পার্থক্য (5 marks)

Perfect competition:

→ ক্ষেত্র, বিভিন্ন ধরণ আনন্দ রখে জীবন

Short Run equilibrium of perfect competition (***)

→ Short run Definition

→ Condition of perfect comp

→ How to Reach equilibrium

Condition:

- ① $MC = MR = \text{Price}$ } Necessary but not sufficient
- ② MC curve must meet MR curve from below.
the slope of $MC >$ the slope of MR

Analysis:

→ Twin condition tells us maximized profit or minimum losses.

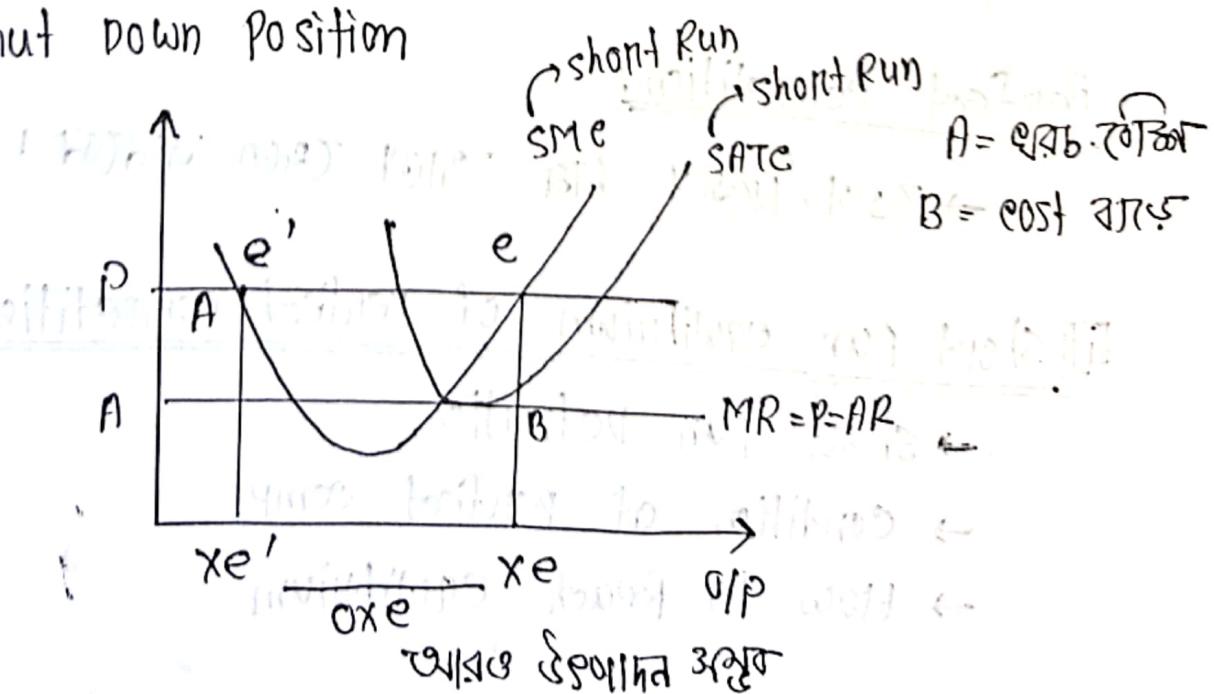
4 Possibilities:

① Makes super normal profit

② Normal profit

③ Incurs loss, not shut down

④ Shut Down Position



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$$Be = xe - Be \rightarrow \text{Profit}$$

ox = Total output

Lecture-16

Monday

13/11/23

~~Razia ma'am~~

Market

$$\left\{ \begin{array}{l} \text{Micro} \rightarrow 3 \text{ set} \\ \text{Macro} \rightarrow 1 \text{ set} \end{array} \right\}$$

Normal profit : Economic term \rightarrow total Revenue = total cost

\rightarrow competition හේතු තුවාය :

\rightarrow Economic profit = zero

\hookrightarrow Accounting profit තුවා hypothetically all possible profit බඳා තිබු වා තුවා ।

loss but not shut down

shut Down

Lecture-17

Thursday

DAY:

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TOPIC NAME: Macro Economics

⇒ Definition → Unit-2

GNP: ~~gross domestic product~~ ~~total value produced in a country in a year~~

⇒ GROSS = summation of all

⇒ ~~एकीकृत देश के नियन्त्रित विनायक विकास~~

$$GDP = C + I + G + (X - M)$$

GDP:

~~जनवर्षाते वास्तविकि~~ → GDP.

→ वास्तविकि विनायक विकास

4 things to know -

(*) what is GDP with

1. Value produced

4 things

2. What produced → final goods & service.

3. Where produced

4. When produced → one year/quarter

Green GDP:

Circular Flow Diagram (***)

→ Agents

→ Assumptions

→ Households
→ Firms

Approach for measuring GDP:

■ Nominal vs Real GDP → to measure inflation

↳ year Base विवर तथा १९५०

↳ current year, current year वर्ता वर्ता

■ Transfer Payment $(T = P + D + I + G)$

■ Personal and Disposable Income

■ GDP Deflator ($\frac{P_D}{P_0} \times 100$)

→ $\frac{P_D}{P_0} \times 100 = \frac{\text{प्रति वर्षीय लागत}}{\text{प्रति वर्षीय उत्पादन}}$

→ $\frac{P_D}{P_0} \times 100 = \frac{\text{प्रति वर्षीय लागत}}{\text{प्रति वर्षीय उत्पादन}} \times 100$

National income & its Measurement

■ National income measuring methods (***)

- ① Value added (**) → world wide famous
 - ② income (House method)
 - ③ expenditure (House method)
- comparatively easy to calculate
also, country specific
पर्याप्त जानकारी नहीं होती
लोक विकास केंद्र, ओर
अम बंगा थाएँ।

Mac Lecture 19 & 20

■ Inflation ↙ Pigou

→ Too much money chasing to few goods.

↳ Deflation, Disinflation

■ Type of inflation - Demand pull vs cost pull

(iii), (iv) → Built in inflation (Hot topic)

■ Cause of inflation (***)

■ Control of inflation

→ Monetary measure

⇒ Rising Bank Rate

⇒ controlling credit creation.

⇒ Open market operations

→ Monetary Policy (slide onto ri)