

Syllabus for B. A. Ist Semester (Effective from Academic Session 2017 onwards)

*Subject Economics
Choice Based Credit System (CBCS)
Core Economics I: credit-6
Principles of Microeconomics-I*

Course Description

This course intends to expose the student to the basic principles in Microeconomic Theory and illustrate with applications.

Unit I: Introduction

- Problem of scarcity and choice: scarcity, choice and opportunity cost; production possibility frontier; economic systems.
- Demand and supply: law of demand, determinants of demand, shifts of demand versus movements along a demand curve, market demand, law of supply, determinants of supply, shifts of supply versus movements along a supply curve, market supply, and Market equilibrium.
- Applications of demand and supply: consumer Surplus
- Elasticity of demand: price, income and cross, degrees of elasticity, determinants of price elasticity.

Unit II: Consumer Theory

Utility-concept, diminishing marginal utility, consumer choice: indifference curves, properties, Budget Constraint, Consumer's equilibrium, derivation of demand curve from indifference curve and budget constraint.

Unit III: Production and Costs

- Production functions- properties; law of variable proportions, returns to scale, isoquant and isocost lines, cost minimizing equilibrium condition –single product firm, producer surplus.
- Costs: costs in the short run, costs in the long run, revenue-concept and relation, revenue and profit maximization, minimizing losses, economies and diseconomies of scale.

Unit IV: Market Structure

Assumptions: theory of a firm under perfect competition, demand and revenue; equilibrium of the firm in the short run and long run; long run industry supply curve: increasing, decreasing and constant cost industries.

Unit-5. Tutorial (1 credit)

- Group discussion : Different topics related to course content.
- Presentation : Different topics related to course content.
- Class tests.

Unit-6. Tutorial (1 credit)

- Home Assignment : Different topics related to course content.
- Viva Voce

Readings: 1. Case, Karl E. & Ray C. Fair, Principles of Economics, Pearson Education, Inc., 8th Edition, 2007. 2. H.L.Ahuja (Latest Edition) Advanced Economic Theory –Microeconomic Analysis ; S Chand Company, New Delhi 3. D.N.Devidi (Latest Edition),Microeconomics Tata McGraw Hill ,New Delhi 4. Dominick Salvatore (Latest Edition) Microeconomics –Theory and Application, Oxford University Press, New Delhi.