



First Semester 2018- 2019

Course Handout Part II

Dated: 02/08/2018

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

Course No. : ECON F211

Course Title : Principles of Economics

Instructor-in-charge :Dr Monika Gupta

1. Scope and Objectives:

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 elementary discussion concerns scarcity and allocation of resources, the supply and demand model and the individual behaviour concerning their utility maximisation. Thereafter, under a perfect competition assumption, the study of the behavior of profit-maximising firms is undertaken to establish a relationship between the cost of production and the economic models of supply. A brief discussion on the imperfect market such as monopoly and its variants follows to illuminate the dangers of uncontrolled market power resulting from a monopoly. The emphasis here is to enable the 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. The learning of this course is important to understand the macroeconomic behavior of the economy and various government policies. The course is designed to emphasize the application of real life examples on various fundamental issues of economics.

2. TextBook:

Case K. E, Fair Ray C. and Oster S, “Principles of Economics”, Pearson Education, 9th Edition, 2014

3. ReferenceBooks:

R1. Samuelson P. A. & Nordhaus W. D., “Economics”, Tata McGraw-Hill 19th Edition, 2007

R2. Mankiw NG. “Principles of Macroeconomics”. Cengage Learning; 7th Edition, 2013.

R3. Henderson JM, Quandt RE. Microeconomic Theory: A Mathematical Approach. New York: McGraw-Hill, 3rd Edition. 1980.





R4. Rubinfeld D, Pindyck R. “Microeconomics”. Pearson Education; 8th Edition, 2013.

R5. Lipsey, R. G. & K. A. Chrystal, Economics, Oxford University Press, 11th Edition, 2007

4. CoursePlan:

No. of Sessions	Learning Objective	Topic(s) to be covered	References
3	Why study Economics; Understanding the Problem of Scarcity And Choice	The Scope and method of Economics, The Economic Problem, Opportunity cost and PPF	Chapter 1, 2 and Appendix (TB) Chapter 1 (R1)
3	Elements of Market Economy	Demand, Supply and Market Equilibrium	Chapter3 (TB)
3	Applications of Demand & Supply	Different Elasticities	Chapter 4 and Appendix (TB)
3	Marginal utility & Indifference Curve Analysis	Household Behavior and Consumer Choice	Chapter 5 and Appendix (TB)
2	Analysis of Production	The Production Process: The behaviour of profit-maximising Firms	Chapter 6 and Appendix (TB)
3	Cost Analysis in Short Run	Short Run Costs and Output Decision	Chapter 7 (TB)
2	Cost Analysis in Long Run	Long Run Costs and Output Decision	Chapter 8 (TB)
2	Input pricing: Land and Labor	Input demand: The labor and land market	Chapter 9 (TB)
2	Input pricing: Capital and Investment	Input demand: The Capital Market and the Investment Decision	Chapter 10 and Appendix (TB)
1	Assumption and Profit Maximization in Perfect Competition	Perfect Competition and Market Equilibrium	Chapter 11 (TB)
3	Output and Profit Decisions in Monopoly	Monopoly and Antitrust Policy	Chapter 12 (TB)
2	Output and Profit Decisions in Monopolistic Competition	Monopolistic Competition	Chapter 14 (TB)
3	Output and Profit Decisions in Oligopoly	Duopoly and Oligopoly	Chapter 13 (TB)





2	Why Market fails, Externalities, Public Goods and Role of Government	Externalities and Basic concepts Environmental Economics	Chapter 15 (TB)
2	How to Make Decisions without Perfect Information and Role of Information in Market	Asymmetric Information and Market Failure	Chapter 16 (TB)
3	Elements of Macroeconomics	Introduction to Macroeconomics - Basic Macroeconomic Concepts in Brief – GDP, Inflation, Unemployment	Chapter 19 (TB)
3	International Trade and Comparative Advantage	Absolute and Comparative Advantage of Trade, Gains from Trade, Free Trade Vs. Protectionism	Chapter 2, 31 (TB) Chapter 18 (R1)

5. Evaluation Scheme:

Components	Duration	Date and time	Weightage (Total 100)	Marks (Total 200)	Remarks
Mid-Sem Test	90 min.	12/10 2:00 - 3:30 PM	30%	60	OB*
Surprise Tutorial Tests	30 min.	-	15%	30	CB*
Class performance/Assignments	-	-	15%	30	Partly OB*/TH*
Compre. Exam.	3 hours	12/12 FN	40%	80	CB

*CB – Closed Book, OB – Open Book, TH – Take Home

6. **Chamber Consultation Hour:** To be announced in the class. For consultation meeting, please drop an E-mail on monika.gupta@pilani.bits-pilani.ac.in.

7. Note:

- All notices pertaining to this course shall be displayed on the Economics and Finance Dept. notice board(6165 - NAB). Students must regularly check their **BITS e-mail account** for course-related announcements/notices.
- No make-up shall be granted for the tutorial tests, and students will get one buffer in tests.
- Make-up for the mid-semester test and the comprehensive exam shall be granted only in





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genuine cases. The student must avail prior permission or intimate I/C before the exam is held to qualify for the make-up. In any case, original proofs justifying the absence will have to be furnished.

- D. Students **must** write correct **ID number and Name** in **All** evaluative components, failing which their answer sheets will **not** be evaluated.

Instructor-in-Charge ECON F211



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