

PRINCIPLES OF ECONOMICS

ECON F211



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Why this course ?

- ❑ To introduce the fundamental concepts and tools available in economics
- ❑ Concept and tools necessary to acquire an understanding of economic decision making of market participants such as Individual households, firms, and the government
- ❑ To lay foundation to study advanced concepts/courses in Economics & Finance

Learning Goals

- ❑ To understand economics as a subject
- ❑ To understand the economic decision making of consumers and producers, and their quantification
- ❑ To understand various market structures and the behavior of various economic agents
- ❑ To understand the basics of National Income accounting, role of money, and related concepts

Course Description : Part I

Module	Lecture/Tutorial
1. Introduction to Economics & Economic Problems	L1.1: Course Orientation & Subject Introduction L1.2: Scarcity, choice and opportunity cost L1.3: Production possibility frontier
2. Demand, Supply, & Elasticity	L2.1-2: Demand Concepts L2.3: Supply Concepts L2.4: Market equilibrium L2.5: Elasticity of Demand
3. Household Behavior and Consumer choice	L3.1: Budget constraint and its role L3.2-3: Concept of utility including DMU L3.4: Income and Substitution effects

Course Description : Part II

Module	Lecture/Tutorial
4. The Production Process	L4.1: Behavior of profit maximizing firm in the short and long run L4.2: Production process and production function
5. Costs and Output Decisions	L5.1: Types of costs L5.2: Perfect competition, TR & MR L5.3: Profit Maximization in perfect competition
6. Demand for Production Inputs	L6.1: Labor Markets L6.2: Land Markets

Course Description : Part III

Module	Lecture/Tutorial
7. Market Imperfections: Monopoly	L7.1-2: Capital, Investment, and Depreciation L7.3: Market Imperfections: An Introduction and Price & Output decisions is pure Monopoly L7.4: Social Costs of Monopoly L7.5: Price Discrimination
8. Market Imperfections: Oligopoly	L8.1: Oligopolistic Market Structure and various models L8.2: Strategic Interaction: Game Theory - I L8.3: Strategic Interaction: Game Theory-II
9. Market Imperfections: Monopolistic Competition	L9.1: Product Differentiation & Role of Advertisement L9.2: Price & Output determination in Monopolistic Competition

Course Description : Part IV

Module	Lecture/Tutorial
10. Introduction to Macroeconomics and the Problems	L10.1: Introduction to Macroeconomics and various concerns
11. Measurement of National Income & Output	L11.1-2: GDP: Meaning, concepts, and measurement L11.3: Nominal vs. Real GDP
12. Money Supply and the Banking System	L12.1-2: Supply of Money & Its Measurement L12.3: The Indian Banking System L12.4: Credit Creation L12.5: Monetary Policy of RBI

Study Material

- ❑ Textbook – Case, K.E., Fair, R.C., & Oster, S.E., *“Principles of Economics”*, Pearson Education Limited, 12th Edition, 2017
- ❑ Class notes
- ❑ Other reference books and material – as suggested by the instructor

Evaluation Scheme

Component	Max Duration In Minutes	Weightage [#]	Max. Marks (Out of 300)	Tentative Dates*
Tut Test 1	30	10 %	30	9 th Feb 2021
Tut Test 2	30	10 %	30	23 rd Feb 2021
Mid-Sem	90	35 %	105	March 2021
Tut Test 3	30	10 %	30	23 rd Mar 2021
Tut Test 4	30	10 %	30	13 th Apr 2021
Comprehensive Exam	120	35 %	105	11 th May 2021

Three best tut-tests would be considered for evaluation; * Dates are tentative and subject to change as per the circumstances. Any change will be communicated well in advance

Time Table/Course Plan

- ❑ 37 full lectures (3 lectures per week – M W F)
 - ❑ Content-wise plan is given in the course handout
- ❑ 8 tutorial classes (on Tuesday)
- ❑ 4 tutorials for tut-test

Important Instructions

- ❑ **Chamber consultation** – Students can approach to me any time via email (rahul.arora@pilani.bits-pilani.ac.in)
- ❑ **Notices** – Please check your email regularly
- ❑ **Make-up policy** – Allowed in genuine cases with prior information and approval – Only allowed in case of mid-semester and comprehensive exams

Evaluation Platform

- ❑ Canvas LMS – [<https://canvas.instructure.com/login/canvas>]
 - ❑ You all will receive an invite link
 - ❑ To accept, you need to make your free account using your BITS Pilani email ID
 - ❑ Change your time zone settings under settings option
- ❑ Other evaluation instructions would be shared time to time