



SECOND SEMESTER 2020-21

COURSE HANDOUT

Date: 17.01.2021

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. RAHUL ARORA
INSTRUCTOR	:	DR. KRISHNA M.
INSTRUCTOR	:	DR. GEETILAXMI MOHAPATRA
INSTRUCTOR	:	DR. RAJAN PANDEY
TUTORIAL INSTRUCTORS	:	Section specific – to be announced in the class

1. Course Description

This course is a foundation course for the students entering into the discipline of Economics & Finance. This introductory course teaches the basic concepts related to the economic system that are listed as follows: Introduction to Economics (Microeconomics) & Economic Problems; Demand, Supply, & Elasticity; Household Behavior and Consumer choice; The Production Process; Costs and Output Decisions; Demand for Production Inputs; Market Imperfections: Monopoly, Oligopoly, Monopolistic Competition; Introduction to Macroeconomics and the Problems; Measurement of National Income & Output; Money Supply and the Banking System

2. Scope and Objective of the Course

The main objective is to introduce the fundamental concepts and tools necessary to acquire an understanding of economic decision making of market participants such as Individual households, firms, and the government. The course covers two major areas of economics namely Microeconomics and Macroeconomics. The knowledge of the fundamentals would help the students to better understand the entire economic system and the process followed in policy making. This course would lay foundation for the students to understand other related courses in economics & finance such as Mathematical Economics, International Economics, Advance Micro and Macroeconomics, among others.

3. Text Book

- **TB:** Case, K.E., Fair, R.C., & Oster, S.E., “*Principles of Economics*”, Pearson Education Limited, 12th Edition, 2017

4. Reference Books

- **R1:** Samuelson, P. A. & Nordhaus, W. D., “*Economics*”, Tata McGraw-Hill, 19th Edition, 2007
- **R2:** Lipsey, R. G. & Chrystal, K. A., “*Economics*”, Oxford University Press, 11th Edition, 2007
- **R3:** Mankiw, N.G. “*Principles of Economics*”, South Western/Cengage Learning India, 6th Edition, 2012
- **R4:** Acemoglu, D, Laibson, D. & List, J., “*Economics*”, Pearson Education Limited, 1st Edition, 2016



5. Course Plan

Module	Lecture/Tutorial	Reference Material*	Learning outcome
1. Introduction to Economics & Economic Problems	L1.1: Course Orientation & Subject Introduction L1.2: Scarcity, choice and opportunity cost L1.3: Production possibility frontier	Chapters: 1 and 2 [TB]	Basic understanding of Economics as a subject; detailing of course contents, their significance; average consumer behavior in various market situations
2. Demand, Supply, & Elasticity	L2.1-2: Demand Concepts L2.3: Supply Concepts L2.4: Market equilibrium L2.5: Elasticity of Demand	Chapters: 3 and 5 [TB]	
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	Chapters: 6 [TB]	
4. The Production Process	L4.1: Behavior of profit maximizing firm in the short and long run L4.2: Production process and production function	Chapters: 7 [TB]	Understanding of production process from producer's side; cost of inputs and their supply
5. Costs and Output Decisions	L5.1: Types of costs L5.2: Perfect competition, TR & MR L5.3: Profit Maximization in perfect competition	Chapters: 8 [TB]	
6. Demand for Production Inputs	L6.1: Labor Markets L6.2: Land Markets	Chapters: 10 [TB]	
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	Chapter: 11 and 13 [TB]	Understanding of various market structure and producer behavior in each market
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	Chapter: 14 [TB] and Class Notes on Game Theory	
9. Market Imperfections: Monopolistic Competition	L9.1: Product Differentiation & Role of Advertisement L9.2: Price & Output determination in Monopolistic Competition	Chapter: 15 [TB]	
10. Introduction to Macroeconomics and the Problems	L10.1: Introduction to Macroeconomics and various concerns	Chapter: 20 [TB]	Understanding to the basics of National Income accounting, role of money, and related concepts
11. Measurement of National Income & Output	L11.1-2: GDP: Meaning, concepts, and measurement L11.3: Nominal vs. Real GDP	Chapter: 21 [TB]	



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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	Chapter: 25 [TB]	
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* In addition to the referred material, online lecture recordings will be uploaded time to time for the students' reference on NALANDA

6. Evaluation Scheme: The evaluation platform will be notified well in advance

Component	Max Duration In Minutes	Weightage [#]	Max. Marks (Out of 300)	Tentative Dates*	Nature of Component
Tut Test 1	30	10 %	30	9 th Feb 2021	Online (Open Book)
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.

7. Consultation Hour:

Students can approach to the Instructor In-Charge any time via email (rahul.arora@pilani.bits-pilani.ac.in). Their queries will be answered through email/online meeting/phone call as per the level of the query.

8. Notices

For course related announcements, please check your email regularly. All the information will also be communicated during the class.

9. Make-up Policy

Make-up for the Mid-Sem and Comprehensive examinations shall be granted only in genuine cases after thorough examination of the application. Only those requests would be entertained for thorough examination who have applied **prior or within the day of exam** with valid reason. Please do not make any request after the application period is over. Those requests would not be entertained. The conduct of make-up (platform of taking make-up, type of questions, and time of make-up) is to be decided by the Instructor-In-Charge/instructors only. Student has no right to interfere in this policy. **Also, no make-up request shall be considered for the Quizzes because of one quiz in buffer.**

10. Note

Evaluative components will be conducted during scheduled hours as specified. Changes, if any, will be communicated well in advance. Please quote your ID number and name before requesting anything related to the course. The arrangement of internet facility and required gadgets is on the students to access the live classes and class material.

Instructor-in-charge
ECON F211