

12. ECONOMICS

Preface

Economics has emerged as one of the most 'sought-after' subjects of study in Social Sciences as it immediately communicates with the changing societal priorities and needs. The curriculum under the NEP, 2020 has been structured so as to make it practically more useful and job-oriented in the multifaceted environment ranging from trade, industry, infrastructure, etc. to information technology. At the same time, the syllabus gives sufficient impetus for academic inputs to prepare students for a research/teaching career in Economics. The programme emphasises both on theory and applied nature of the subject that has registered rapid changes during the recent times.

There are a total of fifteen compulsory core courses that students are required to take across six semesters in the first three years of the programme. The question paper shall be prepared as per University guidelines. Out of 100 marks in each course, 75 marks will be assessed in the end semester examination and 25 marks will be carried from the sessional assessments. In the end semester examination, there will be two questions from each unit and the students have to answer at least one question from each unit.

Programme Outcomes

The Undergraduate programme in Economics aims to develop a comprehensive understanding and critical thinking among students. It seeks to impart knowledge of key economic theories and policies and to develop an ability to utilise this knowledge to examine and analyse past and present economic situations and issues. The syllabus facilitates development of a deeper insight in each individual so as to enable him/her to opt for challenges of selfemployment in the face of broadening gap between the demographic needs and the number of jobs becoming available. Overall, the programme provides necessary training to the students of economics and equips them to deal with contemporary public policy issues.

ECO-100: MICROECONOMICS I

(Contact Hours: 60, Credits:4)

Course Objectives:

This course is designed to expose the students to the basic principles of microeconomic theory. The emphasis will be on thinking like an economist and the course will illustrate how microeconomic concepts can be applied to analyze real life situations.

Learning Outcomes:

As a foundation course, in this Paper, the student will understand the behaviour of an economic agent, namely, a consumer, a producer, a factor owner and the price fluctuations in a market. In addition, the student will learn principles of factor pricing and welfare economics.

Unit – I

Consumer Behaviour: nature and scope of Economics. Concepts of demand and supply, price mechanism and market equilibrium. Individual and market demand curve; shifts in demand curve; elasticity of demand: types, determinants and methods of measurement (point, arc and total outlay methods); relationship between the price elasticity of demand and the slope of the demand curve. Indifference curve analysis of demand: basic assumptions, properties, consumer's equilibrium.

Unit – II

Production, Cost and Supply: Concepts of production function, isoquants and their properties; returns to a factor, returns to scale, law of variable proportions; cost curves – short run and long run; total, average and marginal revenue curves, relationship between AR, MR and price elasticity. Concept of supply, derivation and shifts of supply curve, elasticity of supply.

Unit – III

Market Structure: perfect and imperfect competition; equilibrium of the firm and industry under perfect competition in the short run and long run; equilibrium of the firm under monopoly and monopolistic competition in the short run and long run; Chamberlin's group equilibrium; meaning and features of oligopoly.

Unit - IV

Factor Pricing and Welfare Economics: marginal productivity theory of distribution; Ricardian and modern theories of rent; Subsistence and wage fund theories of wages; liquidity preference theory of interest; Knight's theory of profit. Concepts of welfare; value judgements; problems in measuring welfare; Classical welfare economics; Pareto optimality; social welfare function.

Suggested Readings:

Koutsoyiannis, A. *Modern Microeconomics*. Macmillan, London (latest edition).

Mankiw, N. G., *Principles of Economics*, Cengage Learning, New Delhi (latest edition).

Samuelson, P.A. and W.D. Nordhaus (1998), *Economics*, Tata McGraw Hill, New Delhi.

Stonier, A.W. and D.C. Hague (1999), *A Textbook of Economic Theory*, Pearson Education, New Delhi.

Ahuja, H. L. *Advanced Economic Theory*, S. Chand Publishing, New Delhi, (latest edition).