

Semester I
B.A. (Non-Honours) Economics
Core 1: PRINCIPLES OF MICROECONOMICS-I (6 Credits)
Full marks: 100 (Mid Term-20 + End Term-80)

Course Description

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

Units		No. of Lecture hours	No. of Tutorial hours	Marks
1	Introduction a. Problem of scarcity and choice: scarcity, choice and opportunity cost; production possibility frontier; economic systems. b. 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, market equilibrium. c. Applications of demand and supply: price rationing, price floors, consumer surplus, producer surplus. d. Elasticity: price elasticity of demand, calculating elasticity, determinants of price elasticity, other elasticities.	20	4	20
2	Consumer Theory Budget constraint, concept of utility, diminishing marginal utility, Diamond-water paradox, income and substitution effects; consumer choice: indifference curves, derivation of demand curve from indifference curve and budget constraint.	20	4	20
3	Production: Behaviour of profit maximising firms, production process, production functions, law of variable proportions, choice of technology, isoquant and isocost lines, cost minimizing equilibrium condition.	20	4	20
4	Costs: costs in the short run, costs in the long run, revenue and profit maximizations, minimizing losses, short run industry supply curve, economies and diseconomies of scale, long run adjustments.	15	3	20
Total		75	15	80

Reading List:

1. Karl E. Case and Ray C. Fair, Principles of Economics, Pearson Education Inc., 8th Edition, 2007.
2. N. Gregory Mankiw, Economics: Principles and Applications, India edition by South Western, a part of Cengage Learning, Cengage Learning India Private Limited, 4th edition, 2007.

3. Joseph E. Stiglitz and Carl E. Walsh, Economics, W.W. Norton & Company, Inc., New York, International Student Edition, 4th Edition, 2007.

4. G.S. Maddala and Ellen Miller, Microeconomics: Theory and Applications, Mc Graw Hill Education, Tenth Reprint, 2013, New Delhi Edition.

5. R. S. Pindyck, D. N. Rubinfeld and P. L. Meheta (2009): Microeconomics, 7th Edition, Pearson, New Delhi.