

**Course Code:** ECONEP111  
**Course title:** Basic Microeconomics  
**Nature of Course:** DSC / MC  
**Number of credits:** 4

### **Learning Objectives**

This course is designed to expose the student to the basic principles in Microeconomic Theory. Course discusses the basic principles in microeconomics and their applications. It focuses on the consumer's problem, demand and supply estimation, production function, cost functions and market features. It illustrates how the concepts of microeconomics can be applied to analyze real-life economic situations.

### **Learning Outcomes**

The students will learn basic principles of microeconomics of consumer and producers, and interactions of supply and demand, characteristics of various types of markets and its cost and revenue curves.

### **Course Outline**

<b>Section/ Block</b>	<b>Title</b>
<b>I</b>	<b>Introduction</b> <ul style="list-style-type: none"> <li>- Introduction to economics, Problem of scarcity and choice, Nature and scope of microeconomics</li> <li>- Demand and supply: law of demand, determinants of demand, law of supply, determinants of supply, market equilibrium. Applications of demand and supply: consumer surplus, producer surplus.</li> <li>- Concept of Elasticity: elasticity of demand, calculating price elasticity, income and cross elasticity, determinants of elasticity.</li> </ul>
<b>II.</b>	<b>Consumer Theory</b> <ul style="list-style-type: none"> <li>- Cardinal Utility Analysis: Concept of utility, Diminishing Marginal Utility, Law of Equi-marginal Utility</li> <li>- Ordinal Utility Analysis: Indifference curves, Budget Line, Consumer Equilibrium by using Indifference Curve Analysis</li> <li>- Price consumption curve and Income consumption curve</li> </ul>
<b>III.</b>	<b>Theory of Production</b> <ul style="list-style-type: none"> <li>- Production: production functions, law of variable proportions, Stages of Production</li> <li>- Returns to scale; Isoquant and Iso-cost lines, Producer's equilibrium.</li> <li>- Economies and Diseconomies of scale</li> </ul>
<b>IV.</b>	<b>Theory of Costs and Revenue</b> <ul style="list-style-type: none"> <li>- Costs: Definition and types; Theory of Cost: relationship between cost curves</li> <li>- Market Types: Features of perfect competition, monopoly, monopolistic competition.</li> <li>- Revenue: Definition and concepts of revenue curves under different market conditions</li> </ul>

### **Suggested Readings:**

1. Case, Karl E.&Ray C. Fair, *Principles of Economics*, Pearson Education, Inc.
2. A. Kotsoyiannis, (1979), *Modern Micro Economics*, Palgrave McMillan.
3. Frank, R.H., & Cartwright, E. (2010). *Microeconomics and behavior*. New York: McGraw-Hill.
4. Bernheim, B., Whinston, M. (2009). *Microeconomics*. Tata McGraw-Hill.
5. G.S. Maddala and Ellen Miller (2004), *Micro Economics - Theory and Applications*, Tata McGraw Hill, Delhi.
6. Dominick Salvatore 'Microeconomic Theory' Schaum's Outline series: Tata McGraw Hill, Delhi.

<b>Course Code.</b>	<b>ECONEP121</b>
<b>Course title:</b>	<b>Basic Macroeconomics</b>
<b>Nature of Course:</b>	<b>DSC / MC</b>
<b>Number of credits:</b>	<b>4</b>

**Learning Objectives**

In this course students will understand the meaning of equilibrium, unemployment and macroeconomic concepts such as consumption, saving, investment, multiplier etc. The course is designed to make student understand various concepts of national income and its estimation.

**Learning Outcomes**

After completing this course, the students should have developed a clear understanding of basic macroeconomic issues, such as determination of national income, output, employment. Understanding of Classical, Keynesian and other theoretical models of employment, output and income. Student will also be able to understand the concept of Consumption, Saving and Investment functions and factors that determine them.

**Course Outline**

<b>Section/ Block</b>	<b>Title</b>
<b>I.</b>	<b>Introduction to Macroeconomics and National Income Accounting</b> <ul style="list-style-type: none"> <li>- What is macroeconomics? Macroeconomic issues in an economy, Difference between macroeconomics and microeconomics</li> <li>- National Income Accounting and its concepts</li> <li>- Measurement of national income; nominal and real income</li> </ul>
<b>II.</b>	<b>Classical and Keynesian Theory of Macroeconomics</b> <ul style="list-style-type: none"> <li>- Classical Theory of Employment, Say's Law of Market, Limitations of Classical Theory.</li> <li>- Keynesian theory of income and employment, Explanation of under employment equilibrium</li> <li>- Comparison between Classical and Keynesian theory.</li> </ul>
<b>III.</b>	<b>Consumption and Saving Functions</b> <ul style="list-style-type: none"> <li>- Consumption: Definition and concept of propensity to consume and its determinants</li> <li>- Psychological Law of Consumption. Determinants of Consumption.</li> <li>- Saving function under Classical and Keynesian economics, factors influencing saving</li> </ul>
<b>IV.</b>	<b>Investment and Multiplier</b> <ul style="list-style-type: none"> <li>- Investment: Definition and types, Factors determining Investment, Marginal Efficiency of Capital (MEC)</li> <li>- Equality between saving and investment: Classical, Keynesian and Modern View</li> <li>- Multiplier: Meaning, types; Working of investment multiplier and leakages, Importance and limitations of multiplier.</li> </ul>

**Suggested Readings:**

1. Case, Karle.& R.C.Fair, *Principles of Economics*, Pearson Education, Inc., 8<sup>th</sup> edition, 2007.
2. Errol D'Souza, 'Macro Economics', Pearson Education 2008.
3. Sikdar, Shoumyen, *Principles of Macroeconomics*, 2<sup>nd</sup> Edition, Oxford University Press, India.
4. Eugene Diulio (2004), *Macro Economics*, Schaum's Outline Series, Tata McGraw Hill, New Delhi.
5. Branson, W.A., *Macroeconomic Theory and Policy*, Harper & Row, New York.
6. Shapiro, Edward (1982), *Macro Economic Analysis*, Galgotia Publications (reprint edition).
7. Gregory Mankiw, 'Macro economics' 6<sup>th</sup> Edn. Tata McGraw Hill.
8. Lipsey R. and A Chrystal, *Economics* (11<sup>th</sup> Edition) Oxford University Press New Delhi.