

BACHELOR OF ARTS
5th SEMESTER
GENERIC ELECTIVE – 1 (GE - 1)

EC520G: ECONOMICS: MICROECONOMICS (GENERIC ELECTIVE)

Theory: 4 Credits; Tutorial: 2 Credits
Max Marks- 60; Max Marks- 30
Min Marks- 24; Min Marks- 12

Course Description

This course intends to acquaint the students with the basic principles in Microeconomic theory.

Unit I: Introduction

(15 Hours)

Definition and scope of Economics; Microeconomics and Macroeconomics; Positive and Normative Economics; Demand; Law of demand; Determinants of Demand; Supply - Law of Supply; Determinants of supply; market equilibrium

Unit II: Consumer Theory

(15 Hours)

Utility- Meaning And types, Cardinal Utility- Measurement, Total and Marginal Utility; Diminishing Marginal Utility; Consumer's Equilibrium; Ordinal Utility- Assumptions; Indifference Curve; Marginal Rate of Substitution; Properties of Indifference Curves; Budget Constraint; Consumer's Equilibrium.

Unit III: Production Theory

(15 Hours)

Production function, Law of variable proportions; Economies and Diseconomies of Scale; Returns to scale; Isoquant- Concept and properties; Iso-cost lines; equilibrium of the firms Distribution- Concept, Marginal Productivity Theory of Distribution.

Unit IV: Market Structure

(15 Hours)

Market- Concept; Perfect and Imperfect markets; Demand and Revenue curves under Perfect and Imperfect Markets; Perfect Competition, Monopoly; Monopolistic Competition, Oligopoly and Duopoly- Concept and Characteristics.

TUTORIALS: (2 Credits, 30 Hours)

- (i) Elasticity- Concept and types.
- (ii) Degrees and Determinants of price elasticity.
- (iii) Cost- Concepts; costs in Short run and Long run; Relationship between AC and MC.
- (iv) Revenue- concepts; Relationship between AR and MR.
- (v) Distribution- Concept; Marginal Productivity Theory of Distribution.
- (vi) Comparison between Perfect Competition and Monopoly.

Basic Readings:

1. A. Koutsoyiannis(2006) Modern Microeconomics, Macmillan Press Ltd; 7th Edition
2. D. N. Dwivedi (2005),Microeconomics Tata McGraw Hill ,New Delhi
3. H. L. Ahuja (2016), Principles of Microeconomic based on UGC model curriculum; S. Chand; 22th Edition.
4. Case, Karl E. & Ray C. Fair, Sharon M Oster (2014), *Principles of Microeconomics*, Pearson Education, Inc., 11th Edition.

Additional Readings:

Additional reading list to be suggested by the concerned teacher.