

JYOTI NIVAS COLLEGE AUTONOMOUS

Syllabus (2021 Onwards)

B.A –DSC 1.1

**Economic Analysis-I
(FIRST SEMESTER)**

45 HOURS: 3 CREDITS

OBJECTIVES:

- To provide an outline of the basic concepts in Economics.
- To develop the foundation for the study of other branches of economics.
- To formulate analytical, reasoning, and graphical presentation skills.
- To enable students to evaluate the utility of economics in day -to-day life

LEARNING OUTCOMES / COURSE OUTCOMES[CO]

Students will be able to:

By the end of the course the student will be able to:

- Identify the facets of an economic problem.
- Describe basic economic concepts and terms.
- Explain the operation of a market system
- Apply the concepts of demand and elasticity of demand.
- Analyze the production and cost relationships of a business firm
- Evaluate the pricing decisions under different market structures
- Explain basic cost-benefit calculations as a means of decision making (i.e., thinking like an economist)

UNIT I - BASIC CONCEPTS IN ECONOMICS

16 HOURS

Chapter No. 1 Nature and Scope of Economics

6 HOURS

Meaning of Economics- wealth definition, welfare definition, scarcity definition, growth definition. Behavioural economics, mindful economics- concepts

Nature of Economics- economics as a science or an art- economics as a social science- components of a theory- variables- stock and flow, exogenous and endogenous, assumptions, hypotheses, predictions, testing and prediction.

Scope of Economics- positive and normative economics, microeconomics and macroeconomics, statics and dynamics, partial and general equilibrium- meaning

Methods of Economics inductive and deductive method- meaning and stages.

Why Study Economics? - wants and resources- basic economic problems- choices and opportunity cost [production possibility curve].

Chapter No. 2 Thinking Like an Economist

5 HOURS

Thinking Like an Economist - An economist's approach to the world

The Economist as Scientist- Method of enquiry in studying economic issues-Role of Scientific method, assumptions and models (Production Possibility Frontier);

The Economist as Policy Adviser- Positive and Normative Approaches; Pareto's concept of Welfare

Economic Policy – meaning and examples.

Chapter No. 3 Economic System

5 HOURS

Economic Activities - consumption, production, distribution, exchange. Types of economic activities- primary, secondary, tertiary, quaternary sector, quinary sector; private and public sector, market and non-market sector, difference between economic and non-economic activities.

Organization of Economic Activities economy- definition, types- centrally planned economy, market economy, mixed economy, role of price mechanism in a market and mixed economy.

Circular Flow of Economic Activities - closed and open economy- meaning, households, firm, government, foreign sector- definition, circular flow- meaning, four sector circular flow of economic activities.

Evolution of the Present Economic Systems- agriculture, industrial and post- industrial economic system- meaning and evolution.

Application/Skill development:

1. Group Discussions on Choice Problem
2. Assignment on Types of Economic Systems
3. Discussion on an economic policy and role of an economist-

UNIT II: DEMAND, SUPPLY AND MARKETS

14 HOURS

Chapter No. 4. Firms and Household

3 HOURS

Meaning of Firms and Household- Relationship Between Firms and Household; Input Markets and Output Markets

Chapter No. 5. Demand and Supply

5 HOURS

Demand Curve-Individual and Market demand; Demand Determinants- Shifts in the demand curve; Supply - supply curve and its Determinants; Market Equilibrium Supply and Demand interaction, changes in equilibrium.

Chapter No. 6. Elasticity and its Measurement

6 HOURS

Elasticity of Demand- definition; Types of Elasticity of Demand- Price, Income and Cross Elasticities; Measurement of Elasticity of Demand- Ratio, Arc, Geometric and Total Outlay

method; Determinants of Elasticity of Demand - Factors influencing elasticity, Application of elasticity of demand

Application/Skill development:

1. Estimation of demand and supply elasticities
2. solving an equilibrium problem
- 3.Changes in equilibrium due to demand and supply factors

**UNIT III: COST AND MARKET STRUCTURES
15 HOURS**

Chapter No. 7 Production and Costs 5 HOURS

Production Function- meaning, short run production function- law of variable proportions, long run production function- law of returns to scale

Cost - meaning, Total Production Cost, Marginal Production Cost, Average Production Cost- concept

Revenue Functions- meaning, formula

Chapter No. 8. Accounting and Economic Costs 5 HOURS

Cost- opportunity cost and real cost, accounting and economic cost, Cost in the Short run- Fixed and Variable Costs, Marginal Cost, AC, AFC, AVC, U- Shaped SAC curve, Long run AC and MC

AR, MR, TR- definition and nature under different market structures

Chapter No. 9. Market Structures 5 HOURS

Markets- meaning, types; Perfect and Imperfect Competition - meaning and differences; Features of Perfect Competition;

Monopoly, Oligopoly and Monopolistic Competition - features

Pricing Strategies- target rate pricing, Product line pricing, skimmed pricing and penetration pricing, psychological pricing, bundle pricing (concepts). Price discrimination- peak load pricing (concepts). Price rigidity, price leadership and collusive oligopoly(concepts)

Application/Skill development:

1. Calculation of various costs and comparing them with production concepts; a mini-project can be taken up wherever possible
2. Studying the real-life pricing mechanism through a project/ case studies

Basic Reading List

1. Ahuja, H.L (2019), Principles of Microeconomics, S.Chand & Co.Ltd.
2. Cohen, A.J. (2015). Microeconomics for Life: Smart Choices for You + MyLab Economics with Pearson eText (2nd ed.). Toronto, ON: Pearson Canada Inc. Type: Textbook: ISBN: 9780133899368
3. Dwivedi, D.N (2004), Managerial Economics, Vikas Publishing House Ltd.
4. Jhingan M.L(2012), Principles of Economics, Vrinda Publications [P] Ltd.
5. Mankiw, Gregory (2015), Principles of Economics, 7th Edition, Cengage Learning.

Additional Reading list

1. Cohen, A.J. (2020). Macroeconomics for Life: Smart Choices for All? + MyLab Economics with Pearson eText (updated 2nd ed.). Toronto, ON: Pearson Canada Inc. Type: Textbook: ISBN: 9780136716532
2. Case Karl E. and Fair Ray C. Principles of Economics, Pearson Education Asia, 2014.
3. Pindyck, Robert S., Rubinfeld, Daniel L., Mehta, Prem L(2013), Microeconomics, Pearson Publication.
4. Koutsoyiannis, A(1979), Modern Microeconomics, International Edition, MacMillan Press.
5. Stiglitz J.E. and Walsh C.E. Principles of Economics, W.W. Norton & Co, New York, 2011.
6. Varshney, R.L., Maheswari, K.L(2018), Managerial Economics, 9th Edition, Sultan Chand & Sons.

