

**JYOTI NIVAS COLLEGE AUTONOMOUS  
SYLLABUS FOR 2018 BATCH AND THEREAFTER**

**Programme: B.A.**

**Semester: I**

**ECONOMICS PAPER I  
MICROECONOMICS**

**Course Code: 18IEC1**

**No. of Hours: 75**

**COURSE OBJECTIVES:**

- To help students understand the behaviour of an economic agent-a consumer, producer, a factor owner.
- To provide the foundation for the study of other branches of economics.
- To develop analytical, reasoning and graphical presentation skills.
- To enable students to appreciate the utility of economics in day -to-day life

**LEARNING OUTCOME**

- To understand the basic economic problems and the use of micro economic principles for the same.
- To understand the behaviour of consumer and the producer in the market.
- To understand the concepts of demand and a detailed understanding of demand forecasting for the commodities.
- To understand the various aspects of production and its significance.
- To examine the cost concepts and its practical applications.
- To analyse the various theories of remuneration to factors of production in the modern context.

**UNIT1: INTRODUCTION TO MICROECONOMICS**

**12 HRS**

Wants and resources- Basic economic Problems; PPC

Meaning, Scope, Limitation and uses of Microeconomics, Types of Microeconomics-Statics and Dynamics, Positive and Normative Economics. Concept of Equilibrium -Partial and General Role of price mechanism in a capitalist economy and mixed economy

**UNIT2: THEORY OF CONSUMER BEHAVIOR**

**15 HRS**

Cardinal Analysis- Law of Diminishing Marginal Utility, Law of Equi-Marginal Utility, Consumer Surplus (Marshallian)

Ordinal Utility Analysis-Indifference Curves – Properties, consumer equilibrium, price effect, Income effect and substitution effect(concepts), Engel's curve

**UNIT3: DEMAND AND SUPPLY**

**16 HRS**

Law of Demand, reasons for downward slope, exception to the law, changes in demand Factors affecting demand.

Elasticity- kinds[price, income, cross], Types of price elasticity, factors determining price elasticity, methods of measurement- Ratio method, arc method, total outlay method, Point method

Law of supply and changes in supply , elasticity of supply[concept]

Equilibrium in a market based on demand and supply forces- graphical analysis

**UNIT4: DEMAND FORECASTING****08 HRS**

Meaning, Objectives, Methods-Survey of Buyers intention, Collective Opinion, Trend. Projection, Economic Indicator. Demand Forecasting methods for a new product

**UNIT5: THEORY OF PRODUCTION AND COST****14 HRS**

Production function- single variable input-law of variable proportions  
Two variable inputs-Isoquants and Isocosts [concepts], producer's equilibrium  
Long run - Laws of returns to scale  
Cost- Opportunity cost, real cost, Short run- TC,TFC,TVC, AC,AFC,AVC,MC, U- shaped SAC curve, and Long run curves (concept)  
Revenue- average, marginal, total

**UNIT6: FACTOR PRICING****10 HRS**

Wages- marginal productivity- concept, reasons for wage differentials, collective bargaining  
Rent- Modern Theory of Rent, Quasi Rent  
Interest- Keynesian, IS-LM (only concept)  
Profit- risk and uncertainty theory, Dynamic, Innovation

**REFERENCES:**

1. Ahuja, H.L.- Advanced Economic Theory, S.Chand &Co.Ltd., New Delhi, 2006
2. Dwivedi, D.N.- Managerial Economics, Vikas Publishing House Ltd., New Delhi, 2004
3. Jhingan M.L- Principles of Economics, Vrinda Publications[P] Ltd., New Delhi, 2012
4. Jhingan M.L- Advanced Economic Theory, Vrinda Publications[P] Ltd., New Delhi, 2012
5. Koutsoyiannis, A- Modern Microeconomics, International Edition, MacMillan Press,1979
6. Seth, M.L.- Principles of Economics, Lakshmi Narain Agarwal, Agra, 2013.

**ADDITIONAL REFERENCES:**

1. Damodara, Suma- Managerial Economics, Oxford University Press, New Delhi, 2011
2. Gravelle, Hugh; Rees, Ray-Microeconomics, Pearson Education, Third Edition, 2008.
3. Henderson. J and R.E Quandt- Microeconomic theory: A Mathematical approach
4. Mankiw, Gregory- Principles of Economics, 7<sup>th</sup> edition
5. Pindyck, Robert S., Rubinfeld, Daniel L., Mehta, Prem L.- Microeconomics, Pearson Publication, 2013.
6. Salvatore, Dominick- Microeconomics, IV Edition, Thomson South-Western
7. Samuelson, P.A and Nordaus- Economics, Tata McGraw Hill Publishing House
8. Varshney, R.L., Maheswari, K.L.- Managerial Economics, Sultan Chand & Sons, New Delhi, 1999.

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