

**IV. CORE COURSE –C 1:**

(Credits: Theory-05, Tutorial-01)

**Marks : 25 (MSE: 1Hr) + 75 (ESE: 3Hrs)=100****Pass Marks (MSE + ESE) =40*****Instruction to Question Setter for******Mid Semester Examination (MSE):***

There will be **two** group of questions. **Group A is compulsory** and will contain five questions of **very short answer type** consisting of 1 mark each. **Group B will contain descriptive type** six questions of five marks each, out of which any four are to answer.

***End Semester Examination (ESE):***

There will be **two** group of questions. **Group A is compulsory** and will contain two questions. **Question No.1 will be very short answer type** consisting of ten questions of 1 mark each. **Question No.2 will be short answer type** of 5 marks. **Group B will contain descriptive type** six questions of fifteen marks each, out of which any four are to answer.

**Note:** There may be subdivisions in each question asked in Theory Examinations.

**INTRODUCTORY MICROECONOMICS****Theory: 75 Lectures; Tutorial:15 Lectures****Course Description**

This course is designed to expose the students the basic principles of microeconomic theory. The emphasis will be on thinking like an economist and the course will illustrate how microeconomic concepts can be applied to analyze real-life situations.

**Corse outline****1. Exploring the subject matter of Economics**

Why do we study economics? Scope and method of economics: the economic problem: Scarcity and choice; the question of what to produce, how to produce and to distribute output; science of economics; reading and working with graphs.

**2. Supply and Demand: How Markets work, Markets and Welfare**

Markets and competition; determinants of individual demand/supply; demand/supply schedule and demand/supply curve; market versus individual demand/supply; shift in the demand/supply curve, demand and supply together; how do prices allocate resources; elasticity and its application; control on prices; taxes and the costs of taxation; consumer surplus; producer surplus.

**3. The Households**

The consumption decision – budget constraint, consumption and income/price change, demand for all other goods and price changes; description of preference (representing preferences with indifference curves)

**4. The firm and market Structure**

Behavior of Profit maximizing firm (under perfect competition & monopoly) short run costs and output decisions; Costs and Output in the long run; Concept of Revenue in different Markets.

**5. Input market land Labor Market**

Labor markets-basic concepts (derived demand, productivity of an input marginal revenue product); demand for labor; input demand curves; shift in input demand curves; competitive labor markets, land markets, characteristics.

**Basic Readings:**

- Karl E. Case and Ray C. Fair, Principles of Economics, Pearson Education Inc., 8<sup>th</sup> Edition, 2007
- N. Gregory Mankiw, Economics: Principles and Applications, Indian edition by South western, a part of Cengage learning, Cengage Learning India Private Limited, 4<sup>th</sup> edition, 2007
- Joseph E. Stiglitz and Carl E. Walsh, Economics, W.W. Norton & Company, Inc., New York, international Student Edition, 4<sup>th</sup> Edition, 2007.