

COURSES OF STUDY FOR **GENERIC ELECTIVE ‘B. A. Hons’** PROGRAMME IN
“**ECONOMICS**”

SEMESTER I**GENERIC ELECTIVE****1 Paper**

Total 100 x 1 = 100 Marks

I. GENERIC ELECTIVE (GE 1)

(Credits: Theory-05, Tutorial-01)

- All Four Generic Papers (One paper to be studied in each semester) of Economics to be studied by the Students of **Other than Economics Honours**.
- Students of **Economics Honours** must Refer Content from the **Syllabus of Opted Generic Elective Subject**.

Marks : 100 (ESE 3Hrs) =100	Pass Marks Th ESE = 40
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*Instruction to Question Setter for**End Semester Examination (ESE):*

*There will be two group of questions. **Group A is compulsory** and will contain three questions. **Question No.1 will be very short answer type** consisting of ten questions of 1 mark each. **Question No.2& 3 will be short answer type** of 5 marks. **Group B will contain descriptive type** six questions of 20 marks each, out of which any four are to answer.*

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

PRINCIPALS OF MICROECONOMICS

Theory: 75 Lectures; Tutorial:15 Lectures

Course Description

This Course intends to expose the student to the basic principles in Microeconomic Theory and illustrate with applications.

Course Outline**1. Introduction**

- a) Problem of scarcity and choice: scarcity, choice and opportunity cost; Production possibility frontier; economic systems.
- b) Demand and supply: law of demand, determinants of demand, shifts of Demand versus movements along a demand curve, market demand, and law of supply, Determinants of supply, shifts of supply versus movements along a supply Curve, market supply, and market equilibrium.
- c) Consumer surplus and producer surplus.
- d) Elasticity: price elasticity of demand, calculation of elasticity, determinants of price elasticity and other elasticities.

2. Consumer Theory

a) Budget constraint, concept of utility, diminishing marginal utility, Diamond Water paradox, income and substitution effects; consumer choice: indifference Curves, derivation of demand curve from indifference curve and budget constraint.

3. Production and Costs

a) Production: behavior of profit maximizing firms, production process, Production functions, law of variable proportions, choice of technology, isoquant and isocost lines, cost minimizing equilibrium condition.

b) Cost: costs in the short run, costs in the long run, revenue and Profit maximizations, minimizing losses, short run industry supply curve, Economies and diseconomies of scale, long run adjustments.

4. Perfect Competition —

a) Assumptions: theory of a firm under perfect competition, demand and Revenue; equilibrium of the firm in the short run and long run; long Run industry supply curve: increasing, decreasing and constant cost Industries.

Basic Readings:

- ☐ Case Karl E. & Ray C. Fair, Principles of Economics, Pearson Education, inc., 8th edition, and 2007.
 - ☐ Hal R. Varian, Intermediate Microeconomics, a Modern 8th edition, W.W. Norton and Company/Affiliated East-West Press (India), 2010. The Workbook by Varian and Bergstrom could be used for problems.
 - ☐ C.Snyder and W. Nicholson, Fundamentals of Microeconomics, engage Learning (India). 2010.
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