

Syllabus for Economics Major 1 (Part of SEM 1)

Programme/Class	Year: First	Semester: First
Degree: BA		Major 101
Subject: Economics (Major)		
Course code:	Course Title: Basic Economics	
Course objective:	<ul style="list-style-type: none"> • To introduce the basic concepts of Microeconomics, Laws of demand and supply, concept of elasticity, etc. • To impart knowledge about the concepts of consumer behaviour • To familiarize the students with price effect, income effect and substitution effect, the application of indifference curve analysis in deriving demand curves • To introduce the theory of production- isoquants, isocosts, producer equilibrium, laws of returns to scale, laws of variable proportion. • To familiarize the students with the theory of cost, relation between marginal cost and average cost, derivation of short run and long run average cost curves, the meaning of market, classification of market structures, the concepts and classifications of revenue, relation between marginal revenue, average revenue, and also relation among marginal revenue, average revenue and elasticity. • To put across the concept of national income, calculation methods of national income, and concepts related to national income. • To familiarize the students about the objectives and components of government budget, classification of receipts and expenditures, measures of government deficit. 	
Course outcome:	<ul style="list-style-type: none"> • The students get familiarized with the basic concepts of Microeconomics, Laws of demand and supply, concept of elasticity, etc. so that he/ she can comprehend and familiarize with day today happenings. • Understand the concepts of consumer behaviour like Cardinal utility and ordinal utility analysis. • The students learn and understand the price effect, income effect and substitution effect, the application of indifference curve analysis in deriving demand curves • The students are able to understand the theory of production- isoquants, isocosts, producer equilibrium, laws of returns to scale, laws of variable proportion. • The students learn and understand the theory of cost, relation between marginal cost and average cost, derivation of short run and long run average cost curves. • The students come to know about the concept of market and its different structures, concepts and classifications of revenue, relation between marginal revenue, average revenue and relation among marginal revenue, average revenue and elasticity. • The students are able to explain national income, comprehend methods of measurement of national income, and concepts related to national income. • The students understand the objectives and components of government budget, classification of receipts and expenditures, measures of government deficit. 	
Credits: 04	Core Compulsory	
Max. Marks: 100	Min. Passing Marks: 40	

PROVISIONAL UG SYLLABUS UNDER NEP 2020

Unit	Topics	No. of Lectures
UNIT-I (Basic concepts of Economics):	Nature and scope of Economics; Positive & Normative Economics; Micro & Macro Economics. Basic Problems & Agents of an Economy; Demand, Supply & Market Equilibrium; Derivation of Market Demand & Supply; Change in Supply & Demand and Economic Implications. Elasticity of Supply: Concept, Determinants & Measurement; Elasticity of Demand: Concept, Types & Determinants; Measurement of Point Elasticity; Concepts of Unit Elasticity & Arc Elasticity, Relation between Slope and Elasticity of Demand.	12
UNIT-II (Theory of Consumer Behaviour):	Cardinal & Ordinal Utility; Law of Diminishing Marginal Utility; Marshallian Utility Analysis; Derivation of Demand Curve and Its Elasticity Implication. Concepts & Properties of Indifference Curve & Budget Line; Total Utility, Marginal Utility & Average Utility; consumer's equilibrium-interior and corner; Decomposition of Price effect into Income and Substitution effect (Hicks and Slutsky), Ordinary & Compensated Demand curves, Price consumption curve and Giffen good, Income consumption curve and Engel curve.	12
UNIT-III (Theory of Production, Cost and Revenue):	Production Function, Laws of Variable Proportions and Returns to Scale; Total, Average and Marginal Products Concepts & Properties of Isoquant & Isocost Line; Concept of MRTS, Producer's Equilibrium, Elasticity of substitution; Ridge Lines & Economic Zone; Expansion Path; Cost Minimization and Output Maximization Cost structure- implicit cost, explicit cost, fixed cost, variable cost, total, average and marginal cost. Relation between marginal cost & average cost; Derivation of SAC & LAC. Meaning of market; classification of market structures; Concepts of Total Revenue, Marginal Revenue (MR) & Average Revenue (AR); Relation between AR and MR under imperfect competition; Relation between AR and MR under imperfect competition; AR, MR and Price Elasticity of Demand	13

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<p>UNIT-IV (Introductory Macroeconomics) :</p>	<p>Basic concepts in macroeconomics: consumption goods, capital goods, final goods, intermediate goods; stocks and flows; gross investment and depreciation.</p> <p>National Income and related aggregates: GNP, NNP(at factor cost and market price),GDP, NDP, GDP, PI & DPI);Concepts of Depreciation, GDP Deflator, CPI; Measurements of National Income: Aggregation of Output, Income and Expenditure; National Income as an index of economic welfare.</p> <p>Government Budget and the Economy: Government budget - meaning, objectives and components. Classification of receipts - revenue receipts and capital receipts; classification of expenditure-revenue expenditure and capital expenditure. Measures of government deficit - revenue deficit, fiscal deficit, and primary deficit- their meaning.</p>	<p>13</p>
<p><i>Suggested Readings:</i></p> <ul style="list-style-type: none"> ▪ Sampat Mukherjee, <i>Analytical Microeconomics</i>, New Central Book Agency (P) Ltd. ▪ Joydeb Sarkhel, <i>Micro Economic Theory</i>, Book Syndicate Pvt. Ltd. ▪ Hal R. Varian, <i>Intermediate Microeconomics: A Modern Approach</i>, East- West Press, New Delhi. ▪ Koutsoyiannis, <i>Modern Micro Economics</i>, Macmillan, London ▪ Montosh Chakraborty, <i>Byastik Arthaniti</i>, Dhakeswary Library, Dhaka. ▪ H.L. Ahuja, <i>Advanced Economic Theory</i>, S.Chand& Company Ltd. ▪ Sampat Mukherjee & Debesh Mukherjee, <i>Samakalin Arthabidya</i>, New Central Book Agency (P) Ltd. ▪ Satya R. Chakraborty, <i>Microeconomics</i>, Allied Publishers Pvt Ltd. ▪ Joydeb Sarkhel, <i>Adhunik Arthanitir Bhumika</i>, Book Syndicate Pvt. Ltd. ▪ Rana and Verma, <i>Macroeconomic Analysis</i>, Vishal Publication ▪ Ahuja, H.L., <i>Macroeconomics: Theory and Policy</i>, S. Chand& Co, New Delhi ▪ R. Dutt& K.P.M. Sundaram, <i>Indian Economy</i>, S. Chand& Co, New Delhi ▪ S.K. Mishra & V.K. Puri, <i>Indian Economy</i>, Himalayan Publishing House ▪ Swapan Kr. Ray & Joydeb Sarkhel, <i>Bharater Arthaniti</i>, Book Syndicate Pvt. Ltd. ▪ Joydeb Sarkhel & Sheikh Salim, <i>Bharatiya Arthaniti</i>, Book Syndicate Pvt. Ltd. ▪ N. Gregory Mankiw, <i>Principles of Microeconomics</i>, 6th Edition, NewDelhi: Cengage Learning India (Pvt.) Ltd. ▪ N. Gregory Mankiw, <i>Principles of Macroeconomics</i>, 6th Edition, NewDelhi: Cengage Learning India (Pvt.) Ltd. ▪ Shapiro, E. <i>Macroeconomic Analysis</i>, New Delhi: Galgotia PublicationsPvt. Ltd. ▪ Dornbusch, R. and F. Stanley, <i>Macroeconomics</i>, New York: McGrawHill, Inc. 		
<p>Suggested Continuous Evaluation Methods: Assignment /Test/Quiz (MCQ)/Presentations</p>		
<p>Suggested equivalent online: Swayam, www.indiabudget.gov.in</p>		