

B.A. Ist SEMESTER

PRINCIPLES OF MICRO ECONOMICS–I

ECO-CC-111

Credits 6 (5+1)

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

- Unit-1 Introduction:** Meaning, Nature, Scope and technique of economics, importance of micro economics, Central Problem of an Economy - production possibility frontier. Demand and supply: law of demand, determinants of demand, shifts of demand versus movements along a demand curve, market demand, law of supply, determinants of supply, shifts of supply versus movements along a supply curve, market supply, and market equilibrium.
(20 Hours)
- Unit-2 Basic Concept:** Applications of demand and supply: consumer surplus. Elasticity: price elasticity of demand, determinants of price, income and cross elasticity's, concept of utility-cardinal and ordinal approaches, diminishing marginal utility.
(16 Hours)
- Unit-3 Consumer Theory:** Diamond-water paradox, Giffen goods, income, price and substitution effects; consumer choice: indifference curves, principle of marginal rate of substitution, Budget constraint or budget line, compensated demand, derivation of demand curve from indifference curve.
(16 Hours)
- Unit-4 Production and Costs:** Production:, production functions, law of variable proportions, return to scale , isoquant curve and isocost lines, cost minimizing equilibrium condition. Theory of cost: concept of cost- explicit costs, implicit cost, accounting costs, opportunity cost, short termed and long termed cost analysis.
(18 Hours)
- Unit-5 Market Structure:** Meaning of market: Classification of market structure, Revenue and Demand curve, Objective and equilibrium of the firm: a general Analysis: TR –TC Approach, MR-MC Approach, Perfect Competition: - characteristic, assumption, equilibrium of the firm in the short run and long run.
(20 Hours)

Essential Readings:

- Micro Economics, M.L. Jhingan . Vrinda Publication, New Delhi.
- Ahuja., H.L. (2014). Principles of Microeconomics. S. Chand & Company LTD, New Delhi
- व्यष्टि अर्थशास्त्र के. पी. जैन हिमालय प्रकाशन, नई दिल्ली।
- उच्चतर आर्थिक सिद्धांत एच.एल.आहूजा एस. चांद पब्लिसिंग नई दिल्ली।
- व्यष्टिपरक आर्थिक विश्लेषण एच.एल.आहूजा एस. चांद पब्लिसिंग नई दिल्ली।
- व्यष्टि अर्थशास्त्र एच. एल. झिंगन वृदा पब्लिकेशन, नई दिल्ली।

Suggested Readings:

- Koutsoyiannis, A.(1979), Modern Microeconomic (2nd Edition), Macmillan press, London
- Modern Economics Theory & Policy ,K.K.Dewett S. Chand Publishers , New Delhi.
- Sen., A. (1999), Microeconomic Theory and Application, Oxford University press, New Delhi.
- Micro Economics, Dr.Abha Mittal, S. Chand Publication