

ECONOMICS

Major-1/Minor-1: Principles of Economics

Objectives :

1. *To familiarize the students with basic concepts in economics such as Demand, Supply, Goods, Utility, etc.*
2. *To enable the students to understand the basic theories, principles and laws relating to consumption, production and distribution.*

UNIT-I – Introduction To Economics

- 1.) Definitions of Economics – Wealth, Welfare, Scarcity and Growth – oriented.
- 2.) Basic concepts : consumption – Good, Utility, Want , Demand, Assumptions, Economic Laws, Micro & Macro Economics
- 3.) Production – Supply, Land, Labor, Capital, Organization, Firm, Industry, Rent, Wage, Interest, Profit.
- 4.) Economic systems – Capitalism, Socialism, Mixed Economy.
- 5.) Cost – Total cost, Fixed cost, Variable cost, Average cost, Marginal cost, Opportunity cost
- 6.) Revenue – Total revenue, Average revenue, Marginal revenue.

UNIT- II – Theories of consumption

- i. Utility – forms, Total utility, Marginal utility, Law of Diminishing Marginal Utility
- ii. Law of Equi-Marginal Utility
- iii. Consumer's Surplus
- iv. Properties of Indifference curves
- v. Consumer's equilibrium under Indifference curve Analysis
- vi. Law of Demand

UNIT-III – Production

- 1) Production Function
- 2) Law of Variable Proportion
- 3) Economies of Scale
- 4) Properties of Land, Labor, Capital and Organization.

UNIT-IV – Markets

- i. Features of Perfect Competition, Monopoly, Monopolistic Competition, Oligopoly, Duopoly,
- ii. Price discrimination – meaning and types.
- iii. Pricing in practice – Skimming and Penetration Pricing, Product life cycle pricing.

UNIT-V – Theories of Distribution

- i. Marginal Productivity Theory of Distribution
- ii. **Rent** : Ricardian theory of rent, Quasi – rent
- iii. **Wage** : Real and Money wage, Minimum Wage, Wage Differentials
- iv. **Interest** : Loanable Funds theory of Interest.
- v. **Profit** : Innovation theory of Profit

Book references :

1. Koutsoyiannis A (1979) *Modern Micro Economics*,.
2. Samuelson, Paul – *Economics* ,2007
3. Seth M.L. – *Principles of Economics* – 35th Edition 2001
4. Ahuja . H.L – *Advanced Economics Theory : Micro Economics Analysis*, 2007
5. Stonier and Hague - *A textbook of Economics*
6. K.K Dewet, K.P.M. Sundaram – *Modern Economics*
7. Chopra P. N – *Principles of Economics*