

MICROECONOMICS

Program Name	B.A. in Economics	Semester	Third Semester
Course Title	Microeconomics		
Course Code:	BA3- ECOCT5	No. of Credits	3
Contact hours	42 Hours	Duration of SEA/Exam	2 hours
Formative Assessment Marks	40	Summative Assessment Marks	60

Course Objectives:

1. To enable the students to understand the micro economic concepts.
2. To prepare the students to use tools and techniques of micro economics.
3. To develop required skills to analyze and understand the economic behaviour in a given condition.

Course Outcomes (COs): After the successful completion of the course, the student will be able to:

- CO1. Understand introductory economic concepts.
- CO2. Recognize Basic supply and demand analysis.
- CO3. Recognize the structure and the role of costs in the economy.
- CO4. Describe, using graphs, the various market models: perfect competition, monopoly, monopolistic competition, and oligopoly.
- CO5. Explain how equilibrium is achieved in the various market models.
- CO6. Identify problem areas in the economy, and possible solutions, using the analytical tools developed in the course.

Contents

42 Hrs

Unit–1: Introduction to Microeconomics

Chapter:1 Exploring Microeconomics: Nature and scope of economics – opportunity cost, scarcity, production possibility frontier - Market system as a way to organize economic activities, welfare state	3
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Chapter:2 Supply and Demand: Determinants of demand and supply; demand and supply schedules and; individual and market demand and supply; shifts in the demand and supply curves; Interaction of demand and supply; Equilibrium price and quantity	3
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Practicum:

- Reading and working with graphs
- Estimation of elasticity and discussing its applications; solving problems to estimate the equilibrium price and quantity

Unit -2: Consumption Decisions	
Chapter 3 The Households: Diminishing Marginal Utility; Indifference curves – Meaning and Properties; budget constraint; Satisfaction Maximization; income and substitution effects; choice between leisure and consumption.	5
Practicum: Conducting a consumer survey to understand their tastes and preferences	
Unit -3: Production and Costs	
Chapter 4: The Firms: Concept of firm and Industry; Production Function; Law of Variable Proportions; isoquant and isocost lines, cost minimizing equilibrium condition; Returns to Scale; Features of Cobb-Douglas Production Function	5
Chapter 5: Cost of Production: Short run and long run costs; Returns to Scale.	3
Practicum: ➤ Analyzing reasons for diminishing marginal returns ➤ Examining the relationship between cost and output/ Deriving cost functions from output functions	
Unit -4: Pricing	
Chapter 6: The Markets: Meaning of Market Structure and Types; Pricing under perfect competition; Monopoly pricing and price discrimination; Monopolistic Competition – Features and Pricing; Oligopoly – Interdependence, Collusive and non-collusive oligopoly; Elements of Game theory	7
Chapter 7: The Inputs (Factors): Functional and Personal Income; Demand for and supply of factors; Marginal Productivity Theory of Distribution; Meaning and determinants of Rent, Wages, Interest and Profits	6
Practicum: ➤ Conducting Market Survey to identify the nature and features of markets for different goods/services ➤ Understanding distribution of national income as factor incomes	
Unit -5: Welfare Economics	
Chapter 8: Welfare Economics: Meaning of Welfare; Pigou’s Welfare Economics; Compensation principle; Impediments to attain Maximum Social Welfare; Externalities, Market Failure	6
Practicum: Examining day to day externalities and proposing solutions to them	

Unit -6: Economics in Action	
Chapter 9: Economic Theory and Policy: Pricing Practices; Basics of Monetary and Fiscal Policies; Controls and Regulations; Incentives and Penalties; Labour policies	4
Practicum: Analysis of latest budget of the Central Government; Review of terminology used in the latest Monetary Policy of the RBI	

Pedagogy: Classroom lecture, tutorials, Problem solving exercise

Formative Assessment for C1 & C2		
Assessment Occasion/ type	Marks	
	C1	C2
Internal Test	10	10
Assignment/Seminar	05	
Quiz	05	
Case study / Field work / Project work/ Industrial Visit and Prepare a report	-	10
Total	40 Marks	
<i>Formative Assessment as per NEP guidelines are compulsory</i>		

Note: Strictly follow the Practicum

References	
1	Ahuja, H.L. (2008): <i>Principles of Microeconomics</i> , S. Chand and Co., New Delhi
2	Mankiw, N. Gregory (2020). <i>Principles of Economics</i> (Ninth ed.). Boston, MA.
3	Jhingan, M.L. (2016): <i>Microeconomics</i> , Vrinda Publications, New Delhi
4	Koutsoyianis, A (1979): <i>Modern Microeconomics</i> , London, Macmillan
5	Omkarnath, G. (2012): <i>Economics: A Primer for India</i> , Orient Blackswan, Hyderabad
6	Samuelson, Paul (2004): <i>Economics</i> , McGraw-Hill, New Delhi
7	Krishnaiahgouda H.R. (2020): ಸೂಕ್ಷ್ಮ ಅರ್ಥಶಾಸ್ತ್ರ ರ Sapna Book House, Bengaluru
8	https://www.core-econ.org/the-economy/book/text/0-3-contents.html
9	Somashekhar Ne. Thi., ಸೂಕ್ಷ್ಮ ಅರ್ಥಶಾಸ್ತ್ರ ರ, Sidhlingeshwara Prakashana, Kalburgi.