

SEMESTER I/ II/ III **INTRODUCTORY REGULAR COURSE**

I. INTRODUCTORY REGULAR COURSE (IRC)

(Credits: Theory-03)

Marks: 100 (ESE: 3Hrs) = 100

Pass Marks: Th (ESE) = 40

Instruction to Question Setter for

End Semester Examination (ESE 100 marks):

There will be two group of questions. **Group A is compulsory** which 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 twenty marks each, out of which any four are to answer.

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

INTRODUCTION TO ECONOMICS

Theory: 45 Lectures

Course Objectives:

This course aims at presenting an overview of the field of Economics for students studying other disciplines. It aims at instilling a broad understanding of the essential concept, structures and intellectual methods that characterize the subject.

Course Learning Outcomes:

The course shall help the students understand the similarities between Economics and other disciplines while equipping them with basic tools that economics uses to understand and evaluate policy and find applicable solutions to practical problems.

Course Content:

Unit I: Introduction: Thinking like an Economist

1. Why study economics? Scope and methods of economics
2. The 5 principles of Economics (Scarcity, Cost-benefit, Incentive, Specialization and Exchange)
3. Economic problems and decision making in Economics (rationality, efficiency, trade, free market/ socialism/ mixed systems etc.)
4. Basic principles of Macroeconomics (concepts of consumption, investment and savings)

Unit 2: How Markets Work? The Theory of Supply and Demand

1. Production possibilities, Specialization and Division of labour
2. The price mechanism, supply and demand (law of demand, law of supply, determinants of demand and supply, individual and market demand and supply, shifts in demand and supply curves)
3. Price determination and market equilibrium, price adjustments for temporary imbalances in the market (deficit and surplus), concepts of Consumer and Producer surplus, elasticity and its application.

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Unit 3: The Household and the Firm

1. Cardinal and ordinal utility theory, price and income consumption curves and equilibrium of the consumer.
2. Theory of production
3. Concepts of Cost and Revenue

Unit 4: Market Structure

Characteristics, revenue and cost structure of perfect and imperfect markets (Monopoly and Monopolistic Competition); Profit maximization in markets; externalities

Unit 5: Economic Growth

1. Macro-economic aggregates and the concept and measurement of Economic growth Problems of inflation and unemployment
2. The role of Money
3. The role of Planning and Policy and the current status of the Indian Economy

Unit 6: The International Economy

1. Concept of Globalization
2. Importance of international trade as an engine of growth
3. The Role of international agencies (WTO/ IMF/ World bank)

References:

1. Karl E. Case and Ray C. Fair, Principles of Economics, Pearson Education Inc., 8th Edition, 2007.
2. N. Gregory Mankiw, Economics: Principles and Applications, India edition by South Western, a part of Cengage Learning, Cengage Learning India Private Limited, 4th edition, 2007.
3. Joseph E. Stiglitz and Carl E. Walsh, Economics, W.W. Norton & Company, Inc., New York, International Student Edition, 4th Edition, 2007.
4. Hal R. Varian: Microeconomic Analysis, W.W. Norton & Company. New York, Landan.
5. Salvatore, D. (1997), International Economics, Prentice Hall, Upper Saddle River, N.J, New York.

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