

TEMPLATE FOR COURSE SYLLABUS FOR NEP IMPLEMENTATION

Discipline: Science Arts, Humanities & Social Science
 Commerce BBA BCA

Subject Name: **ECONOMICS**

Subject Code: (Will be provided by the University)

Semester: Semester I Semester II Semester III Semester IV
 Semester V Semester VI Semester VII Semester VIII

Course Name: **ESSENTIALS OF ECONOMICS**

Course Code: **ECONMIN101**

Course Credit: Theoretical **3** Practical/Tutorial **1**

Marks Allotted: Theoretical **60** Practical/Tutorial **20**

Continuing Evaluation Attendance

Course Type (tick the correct alternatives):

- Major Core AEC
 Interdisciplinary/ DSE SEC
 Minor VAC
 Research Project/Dissertation Vocational

Is the course focused on employability/entrepreneurship? YES NO

Is the course focused on imparting life skills? YES NO

Is the course based on Activity? YES NO

Remarks by Chairman, UG BOS, if any

UG BOS Meeting Reference Number: **120/UG-24**

Date: **25/07/2024**

Course Code: ECONMIN101

Course Name: Essentials of Economics

Brief Course Description:

This paper consists of six modules consisting of topics on microeconomics and macroeconomics. The paper deals with consumer behaviour, producer behaviour, and market morphology theories. It also includes national income accounting, basic concepts of inflation and unemployment, and money and banking.

Prerequisite(s) and/or Note(s):

Prior knowledge of economics is optional for this course.

Course Objectives:

Knowledge acquired:

Upon completing the course, the students will know the basic concepts of microeconomics and macroeconomics. They will also know consumer and producer behaviour theories and the characteristics of various markets. The students will also develop knowledge of macroeconomic concepts related to national income, inflation & unemployment, and money and banking.

Skills gained:

Upon completing the course, the students can analyse the impact of changes in economic variables like price and income on consumer consumption and producers' production decisions. Students will be able to estimate the various measures of National Income and know the relationship between the various concepts of National Income.

Competency Developed:

The student will be able to understand the core issues in economics and how a modern market economy function. The students will learn how to differentiate between microeconomics and macroeconomics. They can examine critical macroeconomic data, including gross domestic product, inflation, unemployment, money, and banking. They should also be able to appraise the role of government and financial institutions in managing economic activity. They can better understand how economics applies to everyday life.

Course Syllabus Overview:

Essentials of Economics

Module I: Theory of Consumer Behaviour [8 hrs]

Cardinal Utility-Total Utility (TU) and Marginal Utility (MU); Relationship between TU and MU; Law of Diminishing Marginal Utility; Law of Demand; Determinants of Demand; Relation between Law of Demand and Law of Diminishing Marginal Utility.

Indifference Curve Analysis- Definition and Characteristics of Indifference Curve; Marginal Rate of Substitution (MRS); Budget Line; Price Ratio; Consumer's Equilibrium.

Elasticity of Demand- Price elasticity of Demand, Cross price elasticity of Demand, and Income elasticity of Demand-Concepts only; Factors Determining Elasticity of Demand.

Module II: Theory of Producer's Behaviour [7 hrs]

Production Function- Definition of Production Function; Definition of Total Product (TP), Average Product (AP), and Marginal Product (MP); Derivation of AP and MP from TP Curve; Law of Variable Proportions.

Cost and Revenue- Fixed Cost and Variable Cost, Average Cost and Marginal Cost; Shape of Cost Curves; Relation between Average Cost and Marginal Cost; Definitions of Total Revenue (TR), Average Revenue (AR) and Marginal Revenue (MR) and relationship among AR, MR and Price Elasticity of Demand.

Module III: Market Morphology [8 hrs]

Perfect Competition-Characteristics of Perfect Competition; Short-run and Long-run Equilibrium of the Firm.

Monopoly: Characteristics; Price and Output Determination in Monopoly-short-run and long-run equilibrium; Price Discrimination-concept only; Perfect competition versus monopoly.

Oligopoly-Oligopoly and Duopoly markets-concepts only; non-collusive and collusive oligopoly, product differentiation-concepts only.

Module IV: National Income Accounting [7 hrs]

What is National Income? Circular flow of Income; Different Concepts of national income-Distinction between GNP and NNP, GNP and GDP, NNP at factor cost and market price, National income and personal income, nominal and real national income; Different Methods of Measuring National Income-Income Method, Value-added method and expenditure method; Difficulties of Measurement of National Income; Open and closed economy-concepts only; National income as a measure of welfare.

Module V: Inflation and Unemployment [8 hrs]

Inflation: Concepts of Inflation, Deflation, and Stagflation; Different Types of Inflation-hyperinflations, galloping, walking and creeping; Causes of Inflation-Demand-pull and Cost-

push Inflation and their distinction; Anti-Inflationary Measures; Trade-off between inflation and unemployment –the basic idea of the Phillips Curve.

Module VI: Money and Banking [7 hrs]

Money-Concept, functions, measurement; theories of money supply determination; definition of money supply in the Indian context (M1, M2, M3, and M4).

Banking- Commercial Banks-Balance sheet and portfolio management; Credit creation; Central Banks- functions and instruments of monetary control.

Tutorial Classes: [15 hrs]

Tutorial classes are meant to clarify better the contents of the course. Such classes are meant to promote teacher-student academic interactions and help to build a student's confidence and self-esteem.

Continuing Evaluation:

The course instructor will finalize the modalities of the continuing evaluation. A few suggestions for continuing evaluation are (a) written examination, (b) take-home assignment, and (c) presentation on the topic suggested by the course instructor.

Suggested Readings

Ahuja, H.L. 2010. Modern Economics, S. Chand and Co. Ltd. 44

Pindyck, R.S. and Rubinfeld, D.L. 2018. Microeconomics, Pearson Education Asia.

Stiglitz, J. E. and Walsh, C. E. 2007. Economics, W.W. Norton & Company, Inc., New York, International Student Edition, 4th Edition.

Mankiw, N. G. 2007. Economics: Principles and Applications, India edition by South Western, a part of Cengage Learning, Cengage Learning India Private Limited, 4th edition.

Samuelson P.A. and Nordhaus, W.D. 2019. Economics, McGraw-Hill.

Dornbusch, R., Fischer, S. and Starz, R. 2010. Macroeconomics, McGraw Hill, 11th edition.

Modigliani, F. J. F., Jones, F. J. Ferri, and M. G. 2009. Foundations of Financial Markets and Institutions, Pearson Education, 3rd edition.

Mishkin F. S. and Eakins, S. G. 2009. Financial Markets and Institutions, Pearson Education, 6th edition,

Bhole, L. M. and Mahukud, J. 2011. Financial Institutions and Markets, Tata McGraw Hill, 5th edition.

Khan, M. Y. 2011. Indian Financial System, Tata McGraw Hill, 7th edition

Nadar, E.N. 2013. Money and Banking, Prentice Hall India Learning Private Limited

Paul, R.R. 2018. Monetary Economics, Kalyani Publishers

Gupta, S.B. 2011. Monetary Economics-Institutions, Theory, and Policy