

SEMESTER – I

MJC-1: INTRODUCTORY MICROECONOMICS (Credit: 6)

Course Outcomes

After the completion of the course, the students will be able to:

- CO1:** Use microeconomic concepts such as saving and investment in their real life situation.
- CO2:** Understand the profit making techniques used by different businesses or firms
- CO3:** Grasp the basic concepts of Microeconomics such as Laws of Demand, Supply and Elasticity
- CO4:** Apply Indifference Curve Analysis in Deriving Demand Curve Income and Substitution Curve

Unit	Topics to be covered	No. of Lectures
1	Exploring the subject matter of Economics: Definition of Economics, Need, Scope and Methods of Economics, Nature and subject matter of Economics, Problem of scarcity and choice, Central Problems of Economy.	10
2	Supply and Demand: (a) Concept and types of demand, determinants of individual demand/supply; demand and demand function, theory of demand and law of demand and supply, exceptions to law of demand, demand supply schedule and demand/supply curve; demand for complementary and substitute goods, market versus individual demand/supply; shifts in the demand/supply curve, demand and supply together, elasticity of demand and supply, determinants, measurement and application, static and dynamic demand, consumer surplus (b) The theory of Consumer Behaviour: Cardinal and Ordinal utility analysis,	18 07
3	The Firm and Market Structure: Nature of firm, organizing economic activity in a firm, Objective of a firm: Profit maximization vs. sales maximization, Introduction to basic idea of equilibrium of a firm, condition for producers' equilibrium in short run and long run for firm and industry: total and marginal approach. Basic idea of market, concept and types of cost and revenue; total, average and marginal concept, classification of market, time element in market, Characteristics of Different Market Structures along with relevant examples.	25
4	The Markets for the Factors of Production: Labour market: Basic concepts, derived demand, productivity of an input, marginal productivity of labour, marginal revenue product, demand for labour, backward bending supply curve of labour, tax policy and labour supply, labour force participation, determination of wage rate in a perfectly competitive labour market.	20
	Total Lectures	80

Suggested Readings:

1. Karl E. Case and Ray C. Fair, *Principles of Microeconomics*, Pearson Education Inc.
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, *Intermediate Microeconomics, a Modern Approach*, W.W. Norton and Company/Affiliated East-West Press (India), 8th edition, 2010.
The workbook by Varian and Bergstrom may be used for problems.
5. Snyder and W. Nicholson, *Fundamentals of Microeconomics*, Cengage Learning (India),

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