B.A.	BEC-C101	Semester-I
BEC-C101	**Principles of Microeconomics-I**	**70+30**

NOTE: The question paper shall consist of three sections (Sec.-A, Sec.-B and Sec.-C). Sec.-A shall contain 10 objective type questions of one mark each and student shall be required to attempt all questions. Sec.-B shall contain 10 short answer type questions of four marks each and student shall be required to attempt any five questions. Sec.-C shall contain 8 descriptive type questions of ten marks each and student shall be required to attempt any four questions. Questions shall be uniformly distributed from the entire syllbus. The previous year paper/model paper can be used as a guideline and the following syllabus should be strictly followed while setting the question paper.

Core Economics I: Principles of Microeconomics–I

Course Description

This course intends to expose the student to the basic principles in Microeconomic Theory and illustrate with applications.

Course Outline

1. Introduction :

a. Concept of Microeconomics, Meaning and character stics

b. Demand and supply: law of demand, determinants of demand, shifts of demand versus movements along a demand curve, market demand, law of supply, determinants of supply, shifts of supply versus movements along a supply curve, market supply, market equilibrium.

c. consumer surplus, producer surplus, Elasticity: price elasticity of demand, calculating elasticity, determinants of price elasticity, other elasticities.

2. Consumer Theory

Concept of utility, diminishing marginal utility, income and substitution effects; consumer choice: indifference curves, derivation of demand curve from indifference curve and budget constraint.

3. Production and Costs

a. Production: behaviour of profit maximising firms, production process, production functions, law of variable proportions, choice of technology, isoquant curve.

b. Costs: costs in the short run, costs in the long run, revenue and profit maximizations, minimizing losses, short run industry supply curve, economies and diseconomies of scale, long run adjustments.

4. Perfect Competition

a. Assumptions: theory of a firm under perfect competition, demand and revenue; equilibrium of the firm in the short run and long run; long run industry supply curve: increasing.

b. Welfare: allocative efficiency under perfect competition.

Suggested Readings:

1. Ahuja H.L. (2003) ***Advanced Economic Theory: Microeconomic Analysis***, 13th Edition, S. Chand and Company Ltd. New Delhi

2. Case, Karl E., Ray C. Fair and Sharon E. Oster (2013) *Principles of Economics*, (11th Edition), Prentice Hall of India, New Delhi

3. Koutsoyiannis, A. (1990) *Modern Microeconomics*, Macmillan Press Ltd., London

4. Layard, P.R.G. and A. W. Walters (1978) ***Microeconomic Theory***, McGraw Hill, New York

5. Lipsey, R.G. and K.A. Chrystal (2004) ***Principles of Economics***, (9th Edition), Oxford University Press, New Delhi

8. Stigler, G. (1996) ***Theory of Price***, (4th Edition), Prentice Hall of India, New Delhi

9. Varian, H. (2000) ***Microeconomic Analysis***, W. W. Norton, New York