

SVKM's Narsee Monjee College of Commerce & Economics

Program: Bachelor of Commerce (Economics and Analytics)				Semester: I	
Course: Introductory Microeconomics Academic Year: 2024-25				Code:	
Teaching Scheme				Evaluation Scheme	
Lectures	Practicals	Tutorials	Credits	Internal Continuous Assessment (ICA) (weightage)	Term End Examinations (TEE) (weightage)
45	Nil	Nil	03	40	60
Learning Objectives:					
<ol style="list-style-type: none"> 1. To understand the concepts of microeconomics dealing with consumer and producer behavior. 2. To explain the implications of government intervention in markets. 3. To understand applications of economic theory and use of economic concepts as tools for formulation of economic policy and to explain different economic events. 4. To apply economic concepts in understanding economic efficiency in resource allocation and welfare. 5. To understand the relation between inputs and output of a firm and its application in choice of optimum combination of inputs. 6. To understand the cost-output relations and its impact on decisions of quantity to be produced and supplied. 					
Learning Outcomes:					
At the end of the course, the students should be able to:					
<ol style="list-style-type: none"> 1. Evaluate the effects of government intervention in markets using economic concepts as tools 2. Explain paradoxical economic situations 3. Measure economic welfare and assess the reasons for changes therein 4. Conduct cost-benefit analysis for a policy decision or pricing strategy 5. Understand and differentiate between short run and long run input-output relations 6. Understand and differentiate between short run and long run cost-output relations 7. Identify least-cost combination of factors and optimum resource use by business firms 					
Pedagogy: Classroom Learning, problem solving, case studies, peer teaching, role play, projects or assignments.					
Detailed Syllabus: (per session plan)					
Session Outline For Introductory Microeconomics					
Each lecture session would be of one hour duration (45 sessions)					

Module	Module Content	Module Wise Pedagogy Used	Module Wise Duration	Module Wise Reference Books
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I	<p><u>Introduction</u></p> <ul style="list-style-type: none"> • What is microeconomics? Scope and method of economics; the economic problem: scarcity and choice; the concept of opportunity cost; the question of what to produce, how to produce and how to distribute output; • Basics of market equilibrium: Market Demand-meaning, factors affecting demand, market demand curve. Market Supply- meaning, factors affecting supply, Market Supply curve. Market Equilibrium and changes due to shifts in market demand and market supply. • Elasticity of Demand: meaning, types: price, income, cross and promotional, various methods of measurement- point and arc methods, percentage method, mid-point method, total outlay method, geometric method, etc. (Basic knowledge in Economics-not for evaluation) • Theoretical and practical applications/significance of elasticity of demand. Poverty amidst plenty, crop restriction programme to raise farmers' income, fight against drugs, incidence of indirect taxes, etc. 	Class room lectures	12	Ahuja HL, Microeconomics S.Chand Publications
II	<p><u>Consumer and Producer Surplus</u></p> <ul style="list-style-type: none"> • Consumer Preferences. Assumptions about Preferences. Indifference Curves, Examples of Preferences, Perfect Substitutes, Perfect Complements • Bads • Neutrals • Satiation • Discrete Goods • Well-Behaved Preferences. The Marginal Rate of Substitution , Other Interpretations of the MRS. Consumer equilibrium using the tools of Indifference curve and budget line. • Analyzing Income and substitution effect using Indifference curve. • Consumer Surplus: meaning, measurement, change in consumer surplus. Producer Surplus: meaning and measurement. • Applications of producer and consumer surplus: Evaluating loss of benefit from tax, Evaluating gain from subsidy and Efficiency cost of tax. 	Class room lectures	11	Hal R. Varian Intermediate Microeconomics, Eighth Edition

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III	<p><u>Theory of Production</u></p> <ul style="list-style-type: none"> • Production function- meaning and types. • Short run Production function- Law of Variable Proportions- concepts, stages and causes. Stage of operation, applicability and impact of technological progress on diminishing returns. • Long run Production function- Isoquants and – meaning and properties, Marginal Rate of Technical Substitution. Economic region of production. Iso-cost line/ Isoclines- meaning and slope. • Producer's Equilibrium- maximization of output and minimization of cost. Scale Line/ Expansion Path. Law of Returns to Scale- stages and causes. 	Class room lectures	12	Ahuja HL, Microeconomics S.Chand Publications
IV	<p><u>Cost Analysis</u></p> <ul style="list-style-type: none"> • Cost concepts: Opportunity cost, implicit and explicit costs, accounting and economic costs, sunk and incremental costs, historical and replacement costs, private and social costs, fixed and variable cost, total cost, total fixed cost, total variable cost, average cost, average fixed cost, average variable cost, marginal cost. • Short cost curves: TFC, TVC, TC, AFC, AVC, ATC, SMC - behavior and inter-relationship. • Long run cost curves- derivation of LAC and LMC curves- behavior and inter-relationship. • Concept of L-shaped LAC curve and its critical evaluation. • Economies and diseconomies of scale: meaning, types: Internal and External and their impact on cost, • Learning Curve: meaning and its impact on cost. 	Class room lectures	10	Ahuja HL, Microeconomics S.Chand Publications

Reference Books:

Title	Author(s)	Publisher
Principles of Economics	Frank Robert.H, Bernanke. Ben S.	Tata McGraw Hill
Principles of Economics	Gregory Mankiw.	Thomson South western
Economics	Samuelson & Nordhas.	Tata McGraw Hills, New Delhi

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Managerial Economics cases and concepts	Pal Sumitra	Macmillan, New Delhi
Managerial Economics – Analysis, Problem and Cases	Mehta, P.L	S. Chand & Sons, N. Delhi
Managerial Economics	Hirchey .M.	Thomson South western
Managerial Economics in a global economy	Salvatore, D.	Thomson South Western Singapore
Modern Microeconomics: Theory and Applications	Ahuja HL	S Chand & Co
Economics	Lipsey and Chrystal	Oxford University Press
Note: Latest edition of text book may be used.		

Evaluation Pattern

The performance of the learner will be evaluated in two components. The first component will be a Continuous Assessment with a weightage of 40% of total marks per course. The second component will be a Semester end Examination with a weightage of 60% of the total marks per course. The allocation of marks for the Continuous Assessment and Semester end Examinations is as shown below:

a) Details of Continuous Assessment (CA)

40% of the total marks per course:

Continuous Assessment	Details	Marks
Component 1 (CA-1)	Class Test	20 marks
Component 2 (CA-2)	Assignment	20 marks

b) Details of Semester End Examination

60% of the total marks per course. Duration of examination will be two and half hours.

Question Number	Description	Marks	Total Marks
Q1.	Answer any One out of Two (Module I)	12 x 1	12
Q2.	Answer any One out of Two (Module II)	12 x 1	12
Q3.	Answer any One out of Two (Module III)	12 x 1	12
Q4.	Answer any One out of Two (Module IV)	12 x 1	12
Q5.	(a) Case Study	6 x 1	6
	(b) Give economic reasons/ Explain the	3 x 2	6

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	following statements		
Total Marks			60