



Second Semester 2017 -
2018 Course Handout Part II

Dated: 08/01/2018

In addition to part I (General Handout for all courses appended to the time table) this portion gives further specific details regarding the course.

CourseNo. : ECONF211

CourseTitle : PRINCIPLES OF ECONOMICS

Instructor-in-Charge : MONIKA GUPTA

Instructor: Arun Kumar (Sec. 1); Rajan Pandey (Sec. 2); Monika Gupta (Sec. 3)

Scope and Objectives:

Principles of Economics is a foundation course that introduces the fundamental concepts and tools necessary to acquire an understanding of the economic decision making of market participants such as individual households, firms, and the government. The course coverage primarily encompasses the two major areas of economics namely Microeconomics and Macroeconomics. The elementary discussion concerns scarcity and allocation of resources, benefits of trade, the supply and demand model and the individual behaviour concerning their utility maximization. Thereafter, under a perfect competition assumption, the study of the behavior of profit-maximizing firms is undertaken to establish a relationship between the cost of production and the economic models of supply. A brief discussion on the imperfect market such as monopoly and its variants follows to illuminate the dangers of uncontrolled market power resulting from a complete monopoly. The last part of the course focuses on the study of macroeconomics, i.e. variables at the aggregate level. The emphasis here is to enable student to understand how individual behavior of households and business along with global trade and actions of government determine the aggregate demand for goods and services. Discussion on key macroeconomic variables such as the Gross Domestic Product, National Income, Inflation, Unemployment, Interest rate, and Money Supply etc. is primarily motivated to enable students to understand the relevance of these variables in the context of the global economy.

2. TextBook:

Case K. E, Fair Ray C. and Oster S, "Principles of Economics", Pearson Education, 9th Edition, 2014

3. ReferenceBooks:

R1. Samuelson P. A. & Nordhaus W. D., "Economics", Tata McGraw-Hill 19th Edition, 2007

R2. Lipsey, R. G. & K. A. Chrystal, "Economics", Oxford University Press, 11th Edition, 2007

R3. Principles of Microeconomics (Sixth Edition). N. Gregory Mankiw. Published by South Western/Cengage Learning India (2012)





4. CoursePlan:

No. of Lecture	Objective	Topic(s)	References
3	Why study Economics; Understanding the Problem of Scarcity And Choice	The Scope and method of Economics, The Economic Problem, Opportunity cost and PPF	Chapter 1, 2 and Appendix (TB) Chapter 1 (R1)
3	Elements of market Economy	Demand, Supply and Market Equilibrium	Chapter3 (TB)
3	Applications of Demand & Supply	Elasticity	Chapter 4 and Appendix (TB)
3	Marginal Utility & Indifference Curve Analysis	Household Behavior and Consumer Choice	Chapter 5 and Appendix (TB)
2	Analysis of Production	The Production Process: The behaviour of profit-maximizing Firms	Chapter 6 and Appendix (TB)
3	Cost Analysis in Short Run	Short Run Costs and Output Decision	Chapter 7 (TB)
2	Cost Analysis in Long Run	Long Run Costs and Output Decision	Chapter 8 (TB)
2	Input pricing: Land and Labor	Input demand: The labor and land market	Chapter 9 (TB)
2	Input pricing: Capital and Investment	Input demand: The Capital Market and the Investment Decision	Chapter 10 and Appendix (TB)
3	Output and Profit Decisions in	Monopoly and Antitrust Policy	Chapter 12 (TB)
2	Output and Profit Decisions in Oligopoly	Oligopoly	Chapter 13 (TB)
1	Output and Profit Decisions in	Monopolistic Competition	Chapter 14 (TB)
2	Elements of Macroeconomics	Introduction to Macroeconomics	Chapter 19 (TB)
3	Measuring GDP, Components of GDP	Measuring National Output and National Income, Unemployment and Business Cycles	Chapter 20 (TB) Chapet 22 and 29 (R1)
2	Understanding Inflation and Economic Indicators	Types of Inflation and Indexes to measure inflation - CPI and WPI	Chapter 30 (R1)
2	Role of Money, Banking and Monetary Policy	Money Supply & The Central Bank	Chapter 23 and 24 (R1)





2	International Trade and Comparative Advantage	Absolute and Comparative Advantage of Trade, Gains from Trade, Free Trade Vs. Protectionism	Chapter 2 (TB) Chapter 18 (R1)
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5. Evaluation Scheme:

Total Marks - 300

S. No.	Evaluation Component	Weight-age(%)	Date and Time	Duration	Type
1	Mid Term Test	35	10/3 11:00 - 12:30 PM	90 min.	Closed-Book
2	Quizzes	20	Announced Quizzes (TBA)	40 min.	Closed-Book
3	Comprehensive Examination	45	12/5 AN	180 min.	Partially Open-Book

6. Chamber Consultation Hour: To be announced by each instructor.

7. Note:

- A. All notices pertaining to this course shall be displayed on the Economics and Finance Dept. notice board (6165 - NAB). Students must regularly check their **BITS e-mail account** for course-related announcements/notices.
- B. No make-up shall be granted for the Quizzes and students will get one buffer in Quizzes.
- C. Make-up for the mid-semester test and the comprehensive exam shall be granted only in genuine cases. The student must avail prior permission or intimate I/C before the exam is held to qualify for the make-up. In any case, original proofs justifying the absence will have to be furnished.
- D. Students **must** write correct **ID number, Section Number** in **All** evaluative components, failing which their answer sheets will **not** be evaluated.
- E. Respective instructors will announce the quiz dates and will be at the discretion of the them.

**Instructor-in-Charge
ECON F211**

