

**ELEMENTS OF ECONOMICS- I**

**OBJECTIVES:**

The course has been so designed to expose the students to the fundamentals & essentials of economics & develop in them the skills to apply the same in this age of globalization & economic dominance.

**COURSE CONTENT:**

Topic	Weightage
<b>I NATURE &amp; SCOPE OF ECONOMICS</b> <ul style="list-style-type: none"> <li>➤ Meaning of an Economic Problem</li> <li>➤ The problem of Scarcity</li> <li>➤ The problem of Choice</li> <li>➤ The problem of Efficiency</li> <li>    Economic &amp; Non-economic activities</li> <li>➤ Early definition of Economics</li> <li>➤ Economics as a science of Wealth: evaluation &amp; criticism of wealth definition of economics</li> <li>➤ Economics as a science of Material Welfare: evaluation &amp; criticism of welfare definition of economics</li> <li>➤ Economics as a science of Scarcity: evaluation &amp; criticism of scarcity definition of economics</li> <li>➤ Economics as a science of Growth &amp; Development</li> <li>➤ Micro Economics <ul style="list-style-type: none"> <li>Meaning</li> <li>Subject matter</li> <li>Advantages</li> <li>Limitations</li> </ul> </li> <li>➤ Macro Economics <ul style="list-style-type: none"> <li>Meaning</li> <li>Subject matter</li> <li>Advantages</li> <li>Limitations</li> </ul> </li> <li>➤ Nature of Economics <ul style="list-style-type: none"> <li>Economics as a science &amp; as an art</li> <li>Economics as positive science &amp; normative science</li> </ul> </li> <li>➤ Scope of Economics</li> <li>➤ Relationship of economics with other disciplines</li> </ul>	30%
<b>II DEMAND ANALYSIS</b> <ul style="list-style-type: none"> <li>➤ Meaning of Demand</li> <li>➤ (A) Types of demand <ul style="list-style-type: none"> <li>○ Price demand</li> <li>○ Income demand</li> <li>○ Cross demand</li> </ul> </li> </ul>	20%

<p>(B) Demand distinctions</p> <ul style="list-style-type: none"> <li>○ Demand for consumer's goods &amp; producer's goods</li> <li>○ Demand for perishable goods &amp; durable goods</li> <li>○ Firm &amp; Industry demand</li> <li>○ Derived &amp; autonomous demand</li> <li>○ Short-run &amp; long-run demand</li> <li>○ Individual &amp; market demand</li> </ul> <p>➤ Law of demand</p> <ul style="list-style-type: none"> <li>○ Demand function</li> <li>○ Demand schedule</li> <li>○ Market demand schedule</li> <li>○ Demand curve</li> <li>○ Assumptions of the law of demand</li> <li>○ Reasons for the law of demand. Why does the demand curveslopes downward?</li> <li>○ Exceptions to the law of demand or Perverse demand curve</li> <li>○ Change in demand &amp; shift in demand</li> <li>○ Determinants or factors affecting the demand schedule</li> </ul>	
<p><b>III- ELASTICITY OF DEMAND</b></p> <p>Introduction – Various concepts of Demand Elasticity</p> <p>Elastic &amp; In-Elastic Demand</p> <p>➤ Price Elasticity of Demand</p> <ul style="list-style-type: none"> <li>○ Meaning of Price elasticity of Demand</li> <li>○ Types of Price elasticity of Demand</li> <li>○ Measurement of Price elasticity of Demand</li> <li>○ Determinants of Price elasticity of Demand</li> <li>○ Importance of Price elasticity of Demand in Business</li> </ul> <p>➤ Income Elasticity of Demand</p> <ul style="list-style-type: none"> <li>○ Meaning of Income elasticity of Demand</li> <li>○ Types of Income elasticity of Demand</li> <li>○ Importance of Income elasticity for Business Firms</li> </ul> <p>➤ Cross Elasticity of Demand</p> <ul style="list-style-type: none"> <li>○ Meaning of Cross elasticity of Demand</li> <li>○ Cross Elasticity of Demand: Substitutes &amp;Complements</li> </ul> <p>➤ Promotional or Advertising Elasticity of DemandElasticity</p>	<p>20%</p>
<p><b>IV- COST ANALYSIS &amp; REVENUE ANALYSIS</b></p> <p>➤ Cost concepts</p> <ul style="list-style-type: none"> <li>○ Opportunity cost &amp; actual costs</li> <li>○ Accounting cost &amp; economic costs</li> <li>○ Fixed &amp; variable cost</li> </ul> <p>➤ Short-run cost analysis or Short-run costoutput relationship</p> <ul style="list-style-type: none"> <li>○ Meaning of short-run</li> <li>○ Short-run fixed &amp; variable costs</li> <li>○ Importance of distinction between fixed &amp; variable costs</li> <li>○ Short-run TFC, TVC, TC</li> <li>○ Short-run AC/ATC, AFC, AVC</li> <li>○ Short-run marginal cost MC</li> <li>○ Reason for the “U” shape of AC curve</li> </ul>	<p>30%</p>

<ul style="list-style-type: none"> <li>○ Relationship between AC &amp; MC curves</li> <li>➤ Long-run cost analysis or Long-run cost output relationships <ul style="list-style-type: none"> <li>○ Meaning of long-run</li> <li>○ Long-run AC curve</li> <li>○ Long-run MC curve</li> </ul> </li> <li>➤ Concepts of revenue</li> <li>➤ Revenue &amp; revenue curves <ul style="list-style-type: none"> <li>○ Total revenue (TR)</li> <li>○ Average revenue (AR)</li> <li>○ Marginal revenue (MR)</li> </ul> </li> <li>➤ Relationship between AR &amp; MR in Perfect Competition Market and Monopoly Market</li> </ul>	
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**Text and Reference Books:**

- 1) Modern Microeconomics: Theory & Application-H.L. Ahuja ,Publisher Sultan Chand.
- 2) Advanced Microeconomics Theory-M.J.Kennedy , HimalayaPublishing House.
- 3) Principles of Economics-PremBhutani ,Taxmann Allied Services (P)Ltd.
- 4) Economics-Paul Samuelson William Nordhaus , Tata MacGraw-Hill.
- 5) Introduction to Positive Economics-Richard Lipsey , OxfordUniversity press.
- 6) Principles of Economics – D. M. Mithani, Himalaya Publishing House.
- 7) Introduction to Economics – Stephan Dobson, MACMILLAN.
- 8) Managerial Economics – Analysis, Problems and Cases – P. L. MehtaSultan Chand & sons.
- 9) Essentials of Managerial Economics – P. N. Reddy, HimalayaPublishing House.
- 10) Business Economics – H. L. Ahuja, Sultan Chand.
- 11) Indian Economy – S. K. Misra, V. K. Puri, Himalaya PublishingHouse.
- 12) Economics, The ICFAI University.
- 13) Principles of Economics – M. L. Seth.
- 14) Principles of Economics – N. Gregory MANKIW, Thomson SouthWestern.

**ELEMENTS OF ECONOMICS- 2**

**OBJECTIVES:**

The course has been so designed to expose the students to the fundamentals & essentials of economics & develop in them the skills to apply the same in this age of globalization & economic dominance.

**COURSE CONTENT:**

Topic	Weightage
<p><b>I-SUPPLY ANALYSIS</b></p> <ul style="list-style-type: none"> <li>➤ Meaning of supply <ul style="list-style-type: none"> <li>○ Stock &amp; supply</li> </ul> </li> <li>➤ Law of supply <ul style="list-style-type: none"> <li>○ Supply function</li> <li>○ Supply schedule</li> </ul> </li> <li>➤ Supply curve <ul style="list-style-type: none"> <li>○ Assumptions of the law of supply</li> <li>○ Exceptions to the law of supply</li> <li>○ Determinants or factors affecting supply</li> </ul> </li> </ul>	15%
<p><b>II-DEMAND FORECASTING</b></p> <ul style="list-style-type: none"> <li>➤ Meaning &amp; significance</li> <li>➤ Types of forecasting</li> <li>➤ Steps in forecasting</li> <li>➤ Objectives of demand forecasting</li> <li>➤ Approaches to demand forecasting: Criteria of a good forecasting method</li> <li>➤ Methods of demand forecasting</li> <li>➤ Importance of demand forecasting</li> <li>➤ Forecasting demand for new products</li> </ul>	25%
<p><b>III-NATIONAL INCOME</b>  Meaning &amp; Definitions</p> <ul style="list-style-type: none"> <li>➤ Basic Concept of national income <ul style="list-style-type: none"> <li>Gross National Product (GNP)</li> <li>Gross Domestic Product (GDP)</li> <li>Net National Product (NNP)</li> <li>Personal Income (PI)</li> <li>Disposable Income (DI)</li> </ul> </li> <li>➤ Methods of measuring national income <ul style="list-style-type: none"> <li>Census of Product method or Output method or commodity service method</li> <li>Census of Income method or Factor cost method</li> </ul> </li> </ul>	25%

<p style="text-align: center;">Census of Expenditure method or Total outlay method</p> <ul style="list-style-type: none"> <li>➤ Problems in the estimation of national income <ul style="list-style-type: none"> <li>Conceptual problems</li> <li>Statistical problems</li> </ul> </li> <li>➤ Significance of national income estimates</li> <li>➤ Circular flow of economic activity</li> <li style="text-align: center;">Two sector model</li> </ul>	
<p><b>IV- MONEY SUPPLY</b></p> <p>Definition of Money</p> <ul style="list-style-type: none"> <li>➤ Money &amp; Near Money</li> <li>➤ Functions of Money</li> <li>➤ Components of Money supply</li> <li>➤ Determinants of Money supply</li> <li>➤ Importance of Money</li> <li>➤ Evils of Money</li> <li>➤ Demand for Money</li> </ul>	20%
<p><b>V- BUSINESS CYCLE</b></p> <ul style="list-style-type: none"> <li>➤ Definition of a Business Cycle</li> <li>➤ Features of a Business Cycle</li> <li>➤ Classification of a Business Cycle</li> <li>➤ Phases of a Business cycle <ul style="list-style-type: none"> <li>○ Prosperity</li> <li>○ Recession</li> <li>○ Depression</li> <li>○ Recovery</li> </ul> </li> </ul>	15%

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