

Subject Code: 103

Subject Name: Micro Economics

Unit I: Production Possibility Curve and All basic concepts:

7hrs

Nature and Scope of Economics.

PPC and Its Relevance in economy, Definition of Economics- wealth, welfare, scarcity definitions & their limitations.

Utility meaning and types, Law of diminishing marginal utility, Wealth and welfare.

Unit II: Demand Analysis

15 hrs

Foundation of demand function:-

Meaning of demand, Demand equation, factors affecting demand, market demand, Law of Demand, Exceptions to Law of Demand, changes in Demand, Elasticity of demand-price, income and cross, Consumer equilibrium.

Demand forecasting- meaning, need, objective, types and methods- methods for established products & new products.

Law of Equi-marginal utility.

Unit III: Supply Analysis

3 hrs

Meaning, factors affecting supply, Law of Supply, Exceptions to Law of supply, Elasticity of Supply, Changes in the supply.

Unit V Production function

7 hrs

Factors of Production-meaning & characteristics, Production function- Law of variable proportions, returns to scale.

Unit IV: Basic Cost concepts and Revenue concepts for Short run and Long run

8 hrs

Total, average and marginal costs, short run cost output relationship (With examples), Long run costs- dish shaped cost curve, Inverse J cost curve, L-shaped cost curve, Envelope curve, Revenue concept- total, average and marginal revenue.

Unit VII Market categories

20 hrs

Firm, plant industry- meaning equilibrium of firm, Perfect competition Features, Assumptions, Short run Equilibrium, Long run Equilibrium, Monopoly- Features, Short run Equilibrium, Long- run Equilibrium, Monopolistic competition Features, Chamberlin's model, Excess capacity, Oligopoly- Features, Kinked demand curve.

Recommended Books:

1. Modern Economics – Himalaya Publishing House by D. M. Mithani
2. Economics – Mc Graw Hill Intl. Edition by Paul Samuelson and William Nordhaus
3. Modern Economics – S. Chand & Co. Ltd. – H. L. Ahuja
4. Microeconomics theory- Koutsoyannis
5. Elementary Economic Theory- K.K.Dewett
6. An Introduction to Positive Economics- Richard Lipsey
7. Price Theory- Ryan & Pearce