



Semester I
ECOIDC- 101
Foundation of Economics - 1
Total Credits: 3
Teaching Hours: 45 hours

Course Description

This course intends to expose the student to the basic principles in Microeconomics Theory and illustration with applications.

Course outcome

After completion of the course the student will be able to explain what economics is and why it is important. The student will understand about market forces, identify the determinants of supply and demand; demonstrate the impact of shifts in both market supply and demand curves on equilibrium price and output, define equilibrium production, cost, working and nature of markets.

Unit1: Introduction to Microeconomics

Meaning, nature, scope, importance, limitations of Micro Economics , Basic problem of economics, Problems of scarcity and choice, economic systems, positive and normative economics

Unit 2: Market Forces

Laws of Demand, Law of Supply, determinants of demand/supply, Exceptions to law of demand, market demand and market supply, market equilibrium, elasticity of demand- meaning, types, measurement, determinants of elasticity of demand

Unit 3: Production and Cost

Production functions- short run and Long run, law of variable proportions, Returns to scale, iso-quant and iso-cost lines, producers Equilibrium, Cost of production - types, short run cost curves, long run cost curves

Unit 4: Market and its types

Perfect competition, Price and output determination under perfect competition, Imperfect competition- monopoly, Price and output determination under monopoly, monopolistic competition- Features, oligopoly- Features

Unit 5: Welfare economics

Individual and social welfare, Pigovian welfare economics, Pareto optimality, social welfare function

Suggesting Readings:

1. Case, Karl E. & Ray C, Fair, Principles of Economics, Person Education, Inc, 8th edition, 2007
2. Koutsoyiannis, A. Modern Microeconomics, ELBS with Macmillan, Hong Kong