SRI VENKATESWARA UNIVERSITY - TIRUPATI

Program: B.A. Honours in **ECONOMICS**

FIRST YEAR – II- SEMESTER

(W.e.f. Academic Year 2023 - 24)

Program Objective: This program is to impart the knowledge and skills among the students in the field of economics as major along with skills in languages and selected minor subject.

Program Outcomes:

PO 1: Learn basic concepts, principles and theories in economics

PO 2: Analyse issues in current economy at different levels

PO 3: Acquire employability and research skills in the field of economics

PO 4: Gain knowledge to understand the society around

PO 5: Learn soft and life skills for effective communication and personality development

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PAPER TITLE FOR ECONOMICS MAJOR

II	3. Microeconomics	4	4
	4. Mathematical Methods for Economics	4	4

3. MICROECONOMICS

Course Objective: This course is to learn about basic concepts, principles and theories in Microeconomic to understand the economic behavior of an individual person and firm.

Course Learning Outcomes:

After studying this course, the student shall be able to achieve the following outcomes:

CO1: Explain what an economy, economics is and differentiate between micro and macro economics

CO2: Analyses the demand of a product and estimate elasticity

CO3: Estimate production function and understand its application

CO4: Analyze functioning of different markets and their differentiations

CO5: Examine the determination of rent, wage, interest and profit.

Unit–1: Introduction to Economics

- Economic Activities and Economic System; Definition, Scope and Importance of Economics
- Fundamental problems of economics: Scarcity and Choice.
- Meaning and Scope of Microeconomics; Differences between Micro and Macro Economics
- Principles of Microeconomics.

Unit -2: Demand and Consumption

- Demand: Meaning, Types and Factors; Law of Demand
- Elasticity of Demand: Meaning, Price, Income and Cross Elasticity's
- Indifference Curves (IC): Concept, Properties; Budget Line; Consumer Equilibrium under IC

Unit -3: Production and Supply

* Production and Factors of Production; Concepts of Production.

- Production Function: Cobb- Douglas Production Function
- Law of Variable Proportions; Laws of Returns to Scale
- Law of Supply, Elasticity of Supply

Unit-4: Markets

- Market: Concept and Classification; Perfect Competition: Characteristics, Equilibrium of Firm and Industry
- Monopoly: Characteristics, Equilibrium, Price Discrimination
- Monopolistic Competition: Characteristics.

*Oligopoly: Characteristics, Types, Kinked Demand Curve Model

Unit - 5: Distribution

- Distribution: Meaning, types and importance
- Rent: Ricardian Theory of Rent theory
- Theories of Interest: Liquidity preference Theory
- Theories of Profit: Risk and Uncertainty Theory, Innovations Theory

References:

1. Microeconomic Analysis, Bilingual Textbook, APSCHE
2. H. L. Ahuja, Advanced Economic Theory, S. Chand, 2004
3. A. Koutsoyiannis, Modern Microeconomics – Macmillan, London.
4. P. N. Chopra, Principles of Economics, Kalyani Publishers, Ludhiana, 2018.
5. Telugu Academy Publications on Microeconomics
6. Microeconomics, Dr. Br. Ambedkar Open University Material
7. Microeconomics, IGNOU Material

Suggested Activities:

Unit-1: Group discussion on Identifying Surrounding Economic Activities

Unit-2: Project on Demand Analysis of any Good/Services and make

presentation Unit-3: Assignment on any production function or concepts of

production

Unit-4: Field visit to any market and submission of a

report Unit-5: Seminar on distribution theories

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4. MATHEMATICAL METHODS FOR ECONOMICS

Course Objective: This course is to provide basic understanding about mathematical methods relevant to economics and skills to apply them in understanding various economic issues.

Course Learning Outcomes:

After studying this course, the student shall be able to achieve the following outcomes:

CO1: Explain the basics of sets, functions and their graphical representation

CO2: Learn the rules of differentiation and apply the same to economic problems

CO3: Learn and use maxima and minima to Optimization problems in economics

CO4: Apply rules of integration to estimate the size of consumers' and producers' surplus

CO5: Solve the economic problems through the application of the Matrix Theory.

Unit 1: Sets & Functions

- Role of Mathematical Methods in Economics
- Sets: Types, Operations
- Functions: Meaning, Types, Applications in Economics.

Unit 2: Differential Calculus

- Limits of Functions; Continuity and Differentiability of a Function
- First and Second Derivatives and their Interpretations; Partial Derivatives
- Applications of Derivatives in Economics

Unit 3: Optimization Problems and their Applications

- Concept of Optimization in mathematics; Problems of Maxima and Minima
- The Method of Lagrange Multipliers
- Some Applications of Optimization in Economics

Unit 4: Integrations and Linear Programming

- Concept of integration; Simple Rules of Integration
- Application of Integrations in Economics
- Linear Programming: Basic Concept, Formulation of Problem.
- Applications of Liner Programming in Economics.

Unit 5: Matrices and Determinants and Applications in Economics

- Matrix: Concept, Types; Matrix Operations: Addition, Multiplication
- Determinants, Inverse of a Matrix
- Solution to the System of Simultaneous Equations.
- Some Applications of Matrix Theory in Economics

References:

1. Alien, R.G.D. (1974), *Mathematical Analysis for Economists*, Macmillan Press and ELBS, London.
2. Chiang, A.C. (1986), *Fundamental Methods of Mathematical Economics*, McGraw Hill, New York.
3. Yamane, Taro (1975), *Mathematics for Economists*, Prentice Hall of India New Delhi.
4. Heijdra, B.J. and V.P. Fredericck (2001), *Foundations of Modern Macroeconomics*, Oxford University Press, New Delhi.
5. Knut *Sydsaeter* and Peter *Hammond* (2008), *Mathematics for Economic Analysis*. Pearson education.
6. Open-Source Online Materials & Videos: IGNOU, e-PG Pathasala, SWAYM, Khan Academy etc.

Suggested Activities:

Unit-1: Assignments on solving sets and modeling various functions

Unit-2: Exercises on solving differential equation and their application in economics

Unit-3: Board Presentation by students in solving the optimization problems related to Economics

Unit-4: Task Based Learning (TBL) for solving and application of the liner program models with economic examples

Unit-5: Group Projects on solving matric problems, submit report and make presentati

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B.A. DEGREE COURSE IN ECONOMICS

II-SEMESTER - W.E.F. 2023-24

MODEL QUESTION PAPER

Time: 3 hours Marks: 75 marks

PART – A

Answer any *Five* of the following question. (5X5=25M)

1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

PART – B

Answer All The Questions. Each question carries 10 marks (5X10= 50M)

11.	(A) OR (B)
12.	(A) OR (B)
13.	(A) OR (B)
14.	(A) OR (B)
15.	(A) OR (B)