

SRI VENKATESWARA UNIVERSITY - TIRUPATI
 Program: B.A. Honours in **ECONOMICS**
FIRST YEAR – II- SEMESTER
(W.e.f. Academic Year 2023 - 24)
PAPER TITLE FOR ECONOMICS MINOR

Sem	Paper	Minor	Credits	Hours
II	1	Microeconomics	4	4

1. 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: Equilibrium, Optimization, Welfare.

Unit -2: Demand and Consumption

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

Unit -3: Production and Supply

- Firm: Concept and Objectives; Production and Factors of Production; Concepts of Production.
- Production Function: Meaning and Types; Cobb- Douglas Production Function
- Law of Variable Proportions; Laws of Returns to Scale
- Supply: Meaning, Factors, Law 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, Equilibrium.
- Oligopoly: Characteristics, Types, Kinked Demand Curve Model

Unit - 5: Distribution

- Distribution: Meaning, types and importance
- Rent: Ricardian Theory of Rent, Marshall Quasi Rent
- Theories of Wage: Subsistence Theory, Modern Theory
- Theory 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