



**JAI HIND COLLEGE  
BASANTSING INSTITUTE OF SCIENCE  
&  
J.T.LALVANI COLLEGE OF COMMERCE  
(AUTONOMOUS)**

"A" Road, Churchgate, Mumbai - 400 020, India.

**Affiliated to  
University of Mumbai**

Program: B.A.

Proposed Course: Department of Economics Paper I: Basics of  
Microeconomics

**Credit Based Semester and Grading System (CBCS) with effect from the  
academic year 2019-2020**

*F.Y.B.A. Economics Syllabus*

Academic year 2019-2020

<b>Semester I</b>			
<b>Course Code</b>	<b>Course Title</b>	<b>Credits</b>	<b>Lectures /Week</b>
<b>AECO101</b>	<b>Basics of Microeconomics</b>	<b>4</b>	<b>4</b>



## Semester I – Theory

<b>Course:</b> <b>AECO101</b>	<b>Basics of Microeconomics (Credits : 04 Lectures/Week: 04)</b>	
	<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• To familiarize the students with basic micro economic principles which influence the decision making process of consumers and producers</li> <li>• To introduce students to consumer theory and concept of market equilibrium</li> <li>• To introduce students to simple mathematical tools and economic Models</li> </ul> <p><b>Outcomes:</b> This course exposes first-year students, especially those new to the subject, to the basic principles of microeconomic theory with a focus on thinking like an economist. Students would gain an understanding of how microeconomic concepts can be applied to analyze real-life situations through the use of suitable case studies and illustrations.</p>	
<b>Unit I</b>	<p><b>Basic Principles of Economics</b></p> <ol style="list-style-type: none"> <li>1. Principles affecting individual choices: Trade-off faced by individuals; significance of Opportunity Cost; Thinking at the margin; Responses to incentives</li> <li>2. Principles concerning how people interact: Benefits from exchange; Organization of economic activities</li> </ol>	<b>15 L</b>
<b>Unit II</b>	<p><b>Positive Economics-Some Theoretical Tools</b></p> <ol style="list-style-type: none"> <li>1. Scientific approach to economics: Economic Modeling; Scientific thinking, Role of assumptions; Hypothesis building Application: Circular Flow of Income, Production Possibility Frontier</li> <li>2. Simple statistical tools for economic analysis: Tabulation and data analysis; understanding tables and graphs</li> <li>3. Common techniques for theoretical analysis: Graphs; Functions and their slopes; Limits and continuity</li> </ol>	<b>15 L</b>
<b>Unit III</b>	<p><b>Consumer Behavior Analysis</b></p> <ol style="list-style-type: none"> <li>1. Marshall’s Cardinal Utility analysis: Law of Diminishing Marginal Utility; Consumer’s equilibrium and Principle of Equi-marginal Utility</li> <li>2. Indifference Curve Analysis: Ordinal measure of utility; Indifference curves and their properties; Consumer's equilibrium-Income, Price and Substitution Effects</li> </ol>	<b>15 L</b>
<b>Unit IV</b>	<p><b>Demand and Supply Analysis</b></p> <ol style="list-style-type: none"> <li>1. Demand curve - individual and market, Supply curve - individual and market; Market Equilibrium - changes in equilibrium</li> <li>2. Applications of demand-supply analysis: Price control, rationing; price ceiling and price floor; incidence of tax</li> <li>3. Elasticity of demand and supply: Different types of demand elasticity and their measurement; Relationship between AR,MR and elasticity; Elasticity of supply; Applications of elasticity</li> </ol>	<b>15 L</b>
<p><b>References:</b></p> <ol style="list-style-type: none"> <li>1. Dowling, Edward T. ( 2012). <i>Introduction to Mathematical Economics, Third</i></li> </ol>		

- Edition. Schaum's Outlines.* New York: McGraw-Hill Education
2. Lipsey, R. and Chrystal, A. (2011). *Economics, 12<sup>th</sup> Edition.* West Sussex: Oxford University Press, UK
  3. Mankiw, N.Gregory (2018). *Principles of Microeconomics, 8th edition.* Stanford: Cengage Learning
  4. Perloff, Jeffrey M. (2012). *Microeconomics: Theory and Applications with Calculus.* Berkeley: Pearson.
  5. Samuelson, P. & Nordhaus, W. (2011). *Economics, 19<sup>th</sup> Edition.* New Delhi: Tata McGraw Hills.

## Evaluation Scheme

### [A] Evaluation scheme for Theory courses

#### I. Continuous Assessment ( C.A.) - 40 Marks

- (i) C.A.-I : Test – 20 Marks of 40 minutes duration  
MCQ Test
- (ii) C.A.-II : Numerical Problems and Data Tabulation

#### II. Semester End Examination ( SEE)- 60 Marks