

Economics.

Minor-11-1 Principles of Economics

Objectives:

1. To familiarize the students with basic concepts in economics such as Demand, Supply, Goods, Utility etc.
2. To enable the students to understand basic theories, Principles and laws relating to Consumption, Production and Distribution.

Unit 1: Introduction to Economics

- 1) Definitions of Economics-Wealth, Welfare, Scarcity and Growth-oriented.
- 2) Basic Concepts: Consumption-Good, Utility, Want, Demand, Assumptions, Economic Laws, Micro & Macro Economics.
- 3) Production-Supply, Land, Labour, Capital, Organization, Firm, Industry, Rent, Wage, Interest, Profit.
- 4) Economic Systems-Capitalism, Socialism, Mixed Economy.
- 5) Cost-Total Cost, Fixed cost, Variable cost, Average Cost, Marginal Cost, Opportunity cost.
- 6) Revenue-Total Revenue, Average Revenue, Marginal Revenue.

Unit 2: Theories of Consumption

- vii. Utility-Forms, Total utility, marginal utility, Law of Diminishing Marginal Utility
- viii. Law of Equi-Marginal Utility
- ix. Consumer 's Surplus
- x. Properties of Indifference Curves.
- xi. Consumer s Equilibrium under Indifference Curve Analysis.
- xii. Law of Demand

Unit 3: Production

- 1) Production Function
- 2) Law of Variable Proportions
- 3) Economies of Scale.

4) Properties of Land, Labour, Capital and Organisation.

Unit 4: Markets

i) Features of Perfect Competition, Monopoly, Monopolistic Competition, Oligopoly, Duopoly,

ii) Price Discrimination-Meaning and types,

iii) Pricing in Practice -Skimming and Penetration Pricing, Product life cycle pricing.

Unit 5: Theories of Distribution

i) Marginal Productivity Theory of Distribution

ii) Rent: Ricardian theory of Rent, Quasi-rent

iii) Wage: Real and Money wage, Minimum Wage, Wage Differentials

iv) Interest: Loanable Funds Theory of Interest

v) Profit: Innovation Theory of Profit