



Central University of Himachal Pradesh

(Established under Central Universities Act 2009)
DHARAMSHALA, DISTRICT KANGRA – 176215
HIMACHAL PRADESH
www.cuhimachal.ac.in



Department of Economics School of Social Sciences

Course Name: Basics of Microeconomics

Course Code: ECN 401

Faculty: Dr Babburu Venkateshwarlu

Credits: 2: Credits Equivalent: Credit Equivalent: One credit is equivalent to or is defined as given below:

- i. 10 hours of lectures /organized classroom activity /contact hours;
- ii. 5 hours of laboratory work / practical / field work /Tutorial /teacher-led activity;
- iii. 15 hours of other workload such as independent individual/group work; obligatory/ optional work placement; literature survey/ library work; data collection/ field work; writing of papers/ projects/dissertation/thesis; seminars, etc.

Course Outcomes: Enable students to understand basics of microeconomics

Learning Outcomes: Enable students analyzing behavior of individuals, firms and markets.

Attendance Requirements: Students are expected to attend all lectures in order to be able to fully benefit from the course. A minimum of 75% attendance is a must failing which a student may not be permitted to appear in examination.

Evaluation Criteria: As per University latest rules

COURSE CONTENT

Unit-I

(6 hours)

Definition, Scope and branches of economics, Basic economic problems; Demand, Factors affecting demand; Elasticity of demand; Types of elasticity of demand, price elasticity, income elasticity, substitution and cross elasticity of demand; Supply schedule and supply curve, factors affecting supply, elasticity of supply. Consumer surplus

Unit-II

(6 hours)

Utility analysis: Law of diminishing marginal utility and equi-marginal utility; Indifference curve approach; properties of indifference curve, price effect, income effect and substitution effect, derivation of demand curve using indifference curve.

Unit-III

(6 Hours)

Cost concepts: Short run cost curves (average fixed cost, average variable cost, average cost and marginal cost). Long run cost concepts: Average and marginal cost, opportunity cost. Revenue curves: total revenue, average revenue and marginal revenue

Unit –IV

(6 Hours)

Theory of production: Production decision of a firm, production function, short run and long run, average and marginal products, law of diminishing returns, isoquants, returns to scale, producers' equilibrium.

Unit-V

(6 Hours)

Introduction to market structure: Essential features and price and output determination in perfect competition, monopoly, monopolistic competition, oligopoly and.

Essential Readings:

1. Paul Samuelson and William D Nordhaus (2010), Economics, McGraw Hil, New Delhi
2. Robert S. Pindyck, Daniel L. Rubinfeld and Prem Lal Mehta (2009), Microeconomics, Pearson, New Delhi