

No. of Contact hours – 108

Learning Objectives

The aim of this course is to provide students with an introduction to economic theory through the use of elementary mathematics. This course covers essential topics in microeconomic theory. This course is expected to develop students' skill in applying mathematical tools in micro economic theory.

Module I Theory of Consumer Behaviour and Firms

The nature of utility function – indifference curve – maximisation of utility - Demand function – Demand curve - elasticity, types and measurements -Slutsky equation.

Production functions and product curves - isoquants - elasticity of substitution – Cobb-Douglas, CES production function- optimum combination of inputs.-Cost function - long run and short run (37hours)

Module II Market Structures

Demand and Supply functions under perfect competition - Goods market and Factor market
Equilibrium: Perfect competition, Monopoly, price discrimination, monopolistic competition.
(37 hours)

Module III - Game Theory

Concept - Two-person zero sum game - Maximin and Minimax strategy - Saddle point-Mixed strategies- Prisoner's dilemma – Payoff matrix of a game-two-person-two-commodity-and zero –sum-game. (34 hours)

Readings

1. Allen, R.G.D (1974) Mathematical Analysis for Economics, McMillan Press, London. (reprint edition)
2. Chiang, A.C., Fundamental Methods of Mathematical Economics, McGraw Hill, New Delhi (recent edition).
3. Henderson, J. and R.E. Quandt (1980) Micro Economic Theory: A Mathematical Approach, McGraw Hill, New Delhi
4. Handy, S.T (1997) Operations Research: Prentice-Hall of Indian, New Delhi. 5. Jeffrey Baldani et al. (2009), An Introduction to Mathematical Economics, Cengage Learning, Delhi.
6. Boumol. W. J (1987): "Economic Theory and Operations Analysis", 4 ed., Prentice Hall of India.
7. Heathfield D.F and Wibe, Soren (1987): "An Introduction to Cost and Production functions"Macmillan.

COMPLEMENTARY COURSE (ECONOMICS)

For Other B A Programmes

Course 1 PRINCIPLES OF ECONOMICS

No of credits 4

No of contact hours 108

Learning objectives

To have a basic knowledge in basic micro economic theory

Module 1 Nature and Scope of Economics.

Definitions- wealth-welfare-scarcity and growth-methodology of economics-significance of economics-micro and macro economics- Positive and normative economics (12Hrs)

Module II Basic Economic problem – Choice and the allocation of resources. The problem of scarcity and choice- allocation –growth and fuller utilization of resources – opportunity cost—production possibilities and technological choice. Basic features of capitalism ,socialism and mixed economy. (24Hrs)

Module III. Prices and markets

Market-types-Demand –demand curve- Law of demand- shift in demand -elasticity of demand- -degrees of elasticity of demand- measurement and practical uses of elasticity of demand.

Supply –law of supply – market equilibrium. (24Hrs)

Module IV- Consumer Behaviour.

Cardinal utility; law of diminishing marginal utility; derivation of the Marshallian demand curve Consumer's surplus- Marshallian measurement . (20 Hrs)

Module V Production and product pricing.

Production function- Short- Run and Long Run Law of variable proportions Returns to scale, Concepts of cost and Revenue, Market forms- perfect competition - salient features.monopoly- salient features- monopolistic competition salient features –oligopoly – salient features.(market forms –features only-No price and output determination in any of the market forms) (38 Hrs) **Readings**

1. Samuelson P. A, Nordhaus (2009) *Economics*, Tata Mc Graw Hill
2. Mankiw , Gregory ,Principles of economics ,Cengage learning delhi
3. Case & Fair (2007) Principles of economics , Pearson Education , Delhi.

For Other B A Programmes Course II

Basic economic studies

No of credits 4

No of contact hours 108

Learning objectives :

The course intends to make UG students equipped with basic understanding in macro economics ,general issues in Indian economy and Kerala economy.

Module 1. National Income accounting.

Concept of Circular Flow, National income identities with government and international trade . concepts of National income Methods of National income accounting. –difficulties in estimating national income. (20 Hrs)

Module II.Public Economics.

State v/s market- sources of public revenue- GST-public expenditure –trends in India budget- types –fiscal deficit-revenue deficit – public debt- fiscal policy –objectives, fiscal policy as tool for combating inflation and deflation (20 Hrs)

Module III Financial system.

Money — meaning, and functions- Meaning, Types, and Functions of commercial banks Functions of a central bank – with reference to RBI.- Inflation and deflation— definition, types, causes and effects. Measures to control inflation- Monetary policy as a tool for combating inflation and deflation.. (20 Hrs)

Module IV Introduction to Indian economy.

Developed and less developed Economy: meaning and Concept. Characteristics of Indian Economy. Comparison of Indian Economy with Developed countries. a) Population b) per capita Income c) Human Development Index d) Agriculture e) Industry f) Service Sector.

Planning in india - five year plans- achievements and shortfalls Trends in National Income & Per Capita Income in india Since 1991. Place of Agriculture in the Indian Economy .Green Revolution: Achievements, & failures -Importance of Industrialization- Industrial policy since 1991. SEZ – Concept and features.New Economic Reforms – Concept i) Liberalization ii) Privatisation, iii) Globalization

NITI Ayog . Recent reforms in banking sector in India- Narasimham Committee I & II.
Private Public participation in india. (28 Hrs)

Module V Basic Economic Issues of Kerala

Features of Kerala economy-structural changes- Kerala model of development- self reliance
and self help groups (SHG'S) Impact of migration in Kerala economy (20 Hrs)

Readings

- 1 Samuelson P. A, Nordhaus (2009) *Economics*, Tata Mc Graw Hill.
2. Mankiw , Gregory ,Principles of economics ,Cengage learning delhi. 3. Uma Kapila
Indian economy since independence. Accademic publication , New delhi 4. Meera Bai.
M. (ed) (2008) Kerala Economy Serials Publication New delhi
5. Dre'ze Jean and Amarthya Sen(Ed) Indian developmt selected regional perspectives
Oxford university press new delhi
6. Dutt and sundharam , Indian economy S chand and company New delhi.