



SOPHIA COLLEGE (AUTONOMOUS)

Affiliated to the University of Mumbai

Programme: Humanities

Economics (Major/Minor)

Syllabus for the Academic Year 2023-2024
based on the National Education Policy 2020



SOPHIA COLLEGE (AUTONOMOUS)

DEPARTMENT OF ECONOMICS

Programme: Humanities Economics Major	Semester – 1
Course Title: Introduction to Microeconomics	Course Code:
<u>COURSE OBJECTIVES:</u> <ol style="list-style-type: none">1. Introducing concepts in microeconomics.2. To enable students to understand individuals's economic decision making.3. To explain how market demand and supply interact to establish equilibrium.4. It aims to train the students to understand the concept of production.5. It will enable the students to understand cost concepts, their interrelationship and derive it graphically.6. It aims to train the students to understand the concept of revenue and derive it in perfect and imperfect market.7. To enable students to understand the economies of scale that affects a firm's production and revenue	
<u>COURSE OUTCOMES:</u> <p>The learner will be able to :</p> <ol style="list-style-type: none">1. Apply the cost -benefit principle in economic decision making.2. Apply the demand -supply analysis to explain the market outcomes.3. Calculate cost and revenue of a firm.4. Apply the knowledge gained in understanding the basics of working of a firm.5. understand how a producer achieves equilibrium.	
Lectures per week (1 Lecture is 60 minutes)	4
Total number of Hours in a Semester	60
Credits	4



SOPHIA COLLEGE (AUTONOMOUS)

UNIT 1 Introduction to Microeconomic concepts	1.1	Meaning of Economics, Microeconomics & Macroeconomics, Microeconomics: meaning, scope and limitations. Partial and General Equilibrium, positive and normative economics	15 hours
	1.2	The scarcity Principle: Trade off and opportunity in decision making	
	1.3	Marginal cost-marginal benefit principle, incentive principle,	
	1.4	The principle of comparative cost advantage, equilibrium principle, market failure and role of government	
UNIT 2 Demand, Supply & Market Equilibrium	2.1	Meaning of market.	15 hours
	2.2	Definition of Demand, Demand schedule, equation and graph, determinants of demand, derivation of market demand, movement along the demand curve & shift in demand curve, price elasticity of demand, consumer's surplus.	
	2.3	Definition of Supply, Supply schedule, equation and graph, determinants of supply, derivation of market supply, movement along the supply curve & shift in supply curve, price elasticity of supply, producer's surplus.	
	2.4	Market Equilibrium, adjustment to market equilibrium, price ceiling and price floor.	
	2.5	Impact of shift in demand, shift in supply and shift in demand and supply on market equilibrium, impact of indirect tax and subsidy on market equilibrium.	
UNIT 3.	3.1	Concept of production, Production function - meaning & types, Cobb-Dougl	15 hours



SOPHIA COLLEGE (AUTONOMOUS)

Production Analysis	3.2	Law of Variable proportions	
	3.3	Isoquants- meaning, diagram & features	
	3.4	Isocost line- meaning & graph	
	3.5	Producers equilibrium	
	3.6	Returns to Scale. Cobb-Douglas production function	
UNIT 4 Cost and Revenue Analysis	4.1	Cost concept- meaning, types, calculation and derivation of short run cost curves. Graphical presentation and relationship between cost concepts	15 hours
	4.2	Revenue analysis- TR, MR & AR. Nature & graphical relationship between TR,AR & MR in Perfect market & Imperfect market	
	4.3	Economies of scale- meaning & types	
	4.4	Diseconomies of scale- meaning & types	
	4.5	Relationship between AC & MC.	
	4.6	LRAC- meaning, derivation and features	

REFERENCES: (Students are recommended to use latest edition of the below mentioned reference books)

1. Perloff Jeffrey, Microeconomics, Pearson Education Asia.
2. Frank Robert, Microeconomics and Behaviour, McGraw-Hill.
3. Mankiw Gregory, Mark Taylor. Principles of Microeconomics, Cengage learning, Inc.
4. Mankiw Gregory. Principles of Microeconomics, Cengage learning, Inc. *Fourth edition*



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Programme: Humanities Economics Minor	Semester – 1
Course Title: Introduction to Macroeconomics	Course Code:
<p><u>COURSE OBJECTIVES:</u></p> <ol style="list-style-type: none"> 1. Enable students to understand the concepts of macroeconomics 2. Help Students to understand the meaning and components of the National Income Accounts. 3. Aims to enable students understanding of Keynesian theory 4. It aims to enable students to understand the linkages between different macro variables. 	
<p><u>COURSE OUTCOMES:</u></p> <p>The learner will be able to:</p> <ol style="list-style-type: none"> 1. Understand the working of macroeconomy 2. Assist in the assimilation of Keynesian Theory 3. Discuss the dynamics of business cycles 4. Apply the knowledge in critically understanding national income data, impact of multiplier in the real economy. 	
Lectures per week (1 Lecture is 60 minutes)	4
Total number of Hours in a Semester	60
Credits	4

UNIT 1 Introduction to Macroeconomics	1.1	Macroeconomics- meaning & definition, scope, importance & limitation	15 hours
	1.2	Concepts- Circular flow in a closed economy	
	1.3	Circular flow in an open economy	
	1.4	Business cycles- Phases	
	1.5	Inflation- meaning, types & causes. Effects of inflation. Measures to control inflation	
UNIT 2	2.1	National Income definition, Concepts of National Income & its measurement -GNP-NNP-GDP-NDP. GDP Deflator	15 hours



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National Income Accounting	2.2	Per-capita Income-Disposable Income-NI at Factor Cost-NI at Market Cost-nominal and Real Income	
	2.3	Methods of measuring National Income - Difficulties/ limitation of NI data	
	2.4	Estimation of NI in India. Concept of Green GDP	
UNIT 3 Determination of Income and Employment	3.1	Say's law of market, Introduction to Keynes macroeconomics concept- Concept of Effective demand- Consumption function- APC & MPC, Factors influencing consumption function	15 hours
	3.2	Investment Function concept -Induced Investment and Autonomous Investment, Rate of interest and MEC	
	3.3	Multiplier- meaning & working. Factors affecting multiplier & limitations to multiplier process.	
	3.4	Accelerator	
UNIT 4: Banking Sector & Monetary Policy	4.1	Central Bank- Functions (in context of RBI).	
	4.2	Commercial Bank- meaning & functions. New changes in banking operations	
	4.3	Monetary policy- meaning & objectives	
	4.4	Instruments of monetary policy- Quantitative & qualitative.	

REFERENCES:

- Case, Karl E and Ray C Fair, Principles of Economics, Pearson Education, Inc.8th edition, 2007.
- Datt & Sundharam Indian Economy (71st Edition, S.Chand & Company)
- G. Mankiw-Macroeconomics. (New Age International)
- H L. Ahuja-Macroeconomic Theory. (S. Chand & Company)
- M. L. Jhingan-Macro Economic Theory
- M. L. Seth-Macroeconomics(Lakshminarayan Agarwal)
- Samuelson P.A-Economics (18th Edition, McGraw hill)



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- Sikdar, Shoumyen, Principles of Macroeconomics, 2nd edition, Oxford University Press, India
- www.rbi.org



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