



ARSD College, University of Delhi

Model Course Handout/Lesson Plan

Course Name : B.A (Economics)						
Semester	Course Code	Course Title	Lecture (L)	Tutorial (T)	Practical (P)	Credit (C)
I	12275101	INTRODUCTORY MICROECONOMICS	5	1	0	6
Teacher/Instructor(s)		MR. RAKESH KUMAR				
Session		2022-23				

Course Objective:

- This course is a sequel to Intermediate Microeconomics I.
- The emphasis will be on giving conceptual clarity to the student coupled with the use of mathematical tools and reasoning.
- It covers general equilibrium and welfare, imperfect markets and topics under information economics.

Course Learning Outcomes:

- This course helps the students to understand efficiency of markets and the environment where the standard market mechanism fails to generate the desirable outcomes.
- The issues of market imperfection and market failures are important building blocks of this course.

Lesson Plan:

Unit No.	Learning Objective	Lecture No.	Topics to be covered
1	Introduction	1	What is microeconomics? Scope and method of economics
		2-4	The economic problem: Scarcity and choice; The concept of opportunity cost; The question of what to produce, how to produce and how to distribute output
		3	Institutions for allocating resources; The basic competitive model; Prices, Property rights and profits
		4	Incentives and information; Rationing; Positive versus Normative analysis
		5-7	Interdependence and gains from trade; Specialization and trade; Absolute Advantage; Comparative Advantage and trade

2.	Supply and Demand: How markets work, markets and welfare	8	Markets and Competition
		9-10	Determinants of individual demand/supply; Demand/Supply schedule and demand/supply curve
		11-13	Market versus individual demand/supply; Shifts in the demand/supply curve
		14-16	Elasticity and its application; Controls on prices; Taxes and the costs of taxation; Consumer surplus; Producer surplus and the efficiency of the markets
		17-20	Application to international trade; Comparison of equilibria with and without trade, The winners and losers from trade; Effects of tariffs and quotas; Benefits of international trade; Some arguments for restricting trade
3.	The Households	21-22	Budget constraint, Consumption and income/price changes, demand for all other goods and price changes
		23-25	Preferences (representing preferences with indifference curves); Properties of Indifference curves
		26	Consumer's Optimum choice
		27-28	Income and Substitution effects;
		29-30	Labour supply and savings decision; Choice between leisure and consumption
4.	The firm and perfect market structure	31-32	Behaviour of profit maximizing firms
		33-34	Production process
		35-36	Short-run costs and output decisions
		37-38	Costs and output in the long-run
5.	Imperfect Market Structure	39-40	Imperfect Market Structure Monopoly
		41	Anti-trust policy
		42-43	Government policies towards competition
		44-46	Imperfect competition
6.	Input market	47	Labour and land markets
		48-51	Basic concepts (derived demand, productivity of an input, marginal productivity of labour, marginal revenue product)
		52-55	Demand for labour; Input demand curves; Shifts in input demand curves
		56-57	Competitive Labour markets
		58-60	Labour markets and public policy
	Total	60	

Evaluation Scheme:

No.	Component	Duration	Marks
1.	Internal Assessment	1 hr each	25
	<ul style="list-style-type: none"> 1 Class tests and 1 Assignment 		
	<ul style="list-style-type: none"> Attendance 		
2.	End Semester Examination	3 hr	75

Details of the Course		
Unit	Contents	Contact Hours
I	<p>Introduction: What is microeconomics? Scope and method of economics; the economic problem: scarcity and choice; the concept of opportunity cost; the question of what to produce, how to produce and how to distribute output; science of economics; institutions for allocating resources; the basic competitive model; prices, property rights and profits; incentives and information; rationing; positive versus normative analysis. The scientific method; the role of assumptions; models and mathematics; why economists sometimes disagree Interdependence and gains from trade; specialization and trade; absolute advantage; comparative advantage and trade</p>	7
II	<p>Supply and Demand: How markets work, markets and welfare Markets and competition; determinants of individual demand/supply; demand/supply schedule and demand/supply curve; market versus individual demand/supply; shifts in the demand/supply curve, demand and supply together; how prices allocate resources; elasticity and its application; controls on prices; taxes and the costs of taxation; consumer surplus; producer surplus and the efficiency of the markets. Application to international trade; comparison of equilibria with and without trade, the winners and losers from trade; effects of tariffs and quotas; benefits of international trade; some arguments for restricting trade</p>	9
III	<p>The Households: The consumption decision - budget constraint, consumption and income/price changes, demand for all other goods and price changes; description of preferences (representing preferences with indifference curves); properties of indifference curves; consumer's optimum choice; income and substitution effects; labour supply and savings decision; choice between leisure and consumption</p>	10
IV	<p>The firm and perfect market structure: Behaviour of profit maximizing firms and the production process; short-run costs and output decisions; costs and output in the long-run</p>	8
V	<p>Imperfect Market Structure Imperfect Market Structure: Monopoly and anti-trust policy; government policies towards competition; imperfect competition</p>	8
VI	<p>Input market: Labour and land markets: Basic concepts (derived demand, productivity of an input, marginal productivity of labour, marginal revenue product); demand for labour; input demand curves; shifts in input demand curves; competitive labour markets; labour markets and public policy</p>	18
	Total	60

Suggested Books:		
Sl. No.	Name of Authors/Books/Publishers	Year of Publication/Reprint
1.	Mankiw, N.; Principles of Economics, 6 th ed., Cengage Learning	
Mode of Evaluation:		Internal Assessment / End Semester Exam