



ARSD COLLEGE, UNIVERSITY OF DELHI

Model course handout/Lesson plan

Course Name: B.A. Honours (CBCS), 1 st sem						
Semester	Course code	Course title	Lecture (L)	Tutorial (T)	Practical (P)	Credit (C)
1st	12271101	Introductory Microeconomics	65	0	0	6
Teacher/Instructor(s)	DR. SARASWATI					
Session	2021-22					

Course Objective: This course is designed to expose the students to the basic principles of microeconomic theory. The emphasis will be on thinking like an economist and the course will illustrate how microeconomic concepts can be applied to analyze real-life situations.

Course Learning Outcomes: - The course introduces the students to the first course in economics from the perspective of individual decision making as consumers and producers. The students learn some basic principles of microeconomics, interactions of supply and demand, and characteristics of perfect and imperfect markets.

Lesson Plan:

Unit No.	Learning Objective	Lecture No.	Topics to be covered
UNIT-1. Introduction to Microeconomics and Three basic problems.	<ul style="list-style-type: none"> Students can define microeconomics and able to understand three Basic problems of economics Student can able to explain the term scarcity, choice and opportunity costs Student can able to describe the production possibility frontier. Student can able to describe the normative and positive economics. Students can understand Interdependence and gain from trade. 	1	Introduction to microeconomics
		2	Major three problems that we study in micro economics
		3	Basic concepts like scarcity, choice and opportunity costs.
		4	Production possibility frontier
		5	Different economics system
		6	positive versus normative analysis The scientific method; the role of assumptions;
		7	Interdependence and gains from trade;
		8	specialization and trade
		9	absolute advantage

	<ul style="list-style-type: none"> Students can explain comparative and absolute advantage. 	10	comparative advantage and trade
Unit-2 Supply and demand: How markets work, markets and welfare	<ul style="list-style-type: none"> Student can able to understand economics System Student can able to understand Demand, Low of Demand, movement, shifting in Demand curve and market Demand. Student can able to understand Supply, Low of supply, movement, shifting in Supply curve and market Supply. Student can able to understand Market Equilibrium. Student can able to understand the concept of elasticity price elasticity of demand other elasticities. Student can able to understand the Applications of demand and supply: price rationing, price floors, consumer surplus and producer surplus. Student can able to understand the taxes and the costs of taxation, Dead weight loss. Student can able to understand international trade, its benefits and loss. Students can able to understand 	11	Demand, Low of Demand, Determinant of demand , Movement and shifting in Demand curve and market Demand
		12	Supply, Low of supply, Determinant of supply change in supply curve and Mkt. equilibrium and change in equilibrium.
		13	concept of elasticity, Types of elasticity. price elasticity of demand and its types
		14	Income elasticity of demand and cross price elasticity of demand.
		15	Determinant of price elasticity of demand and other elasticity
		16	Computational methods of elasticity of demand
		17	Applications of demand and supply
		18	Price Rationing, price ceiling and price flooring.
		19	Applications of price ceiling and price flooring
		20	Consumer surplus and producer surplus.
		21	Total surplus and how total surplus measure welfare of the economy.
		22	taxes and the costs of taxation, Dead weight loss.
23	Application to international trade; comparison of equilibria with and without trade.		

	difference between tariffs and Quotas.	24	The profit and loss from trade; effects of tariffs and quotas.
		25	Benefits of international trade; some arguments for restricting trade.
UNIT-3 The Households The consumption decision	<ul style="list-style-type: none"> • Student can define concept of budget constraint and utility. • Students can explain the concept of diminishing marginal utility. • Student can able to explain diamond - water paradox. • Students can understand about indifference curve and consumer choice. • Students can understand income and substitution effects, • Students can explain Derivation of demand curve from indifference curve. 	26	Budget constraint and Utility, theories of utility
		27	Equi- marginal utility and Diminishing marginal utility.
		28	Diamond -water paradox
		29	Indifference curve and its feature
		30	Consumer equilibrium a Change in consumer Equilibrium
		31	Income effects
		32	Substitution effects
		33	Decomposition of Income and Substitution effects
		34	Decomposition of Income and Substitution effects
		35	Derivation of a demand curve through Indifference curve.

<p>UNIT-4 The firm and perfect market structure</p>	<ul style="list-style-type: none"> • Student can know about costs in the short run, costs in the long run, short run. • Student get to know about production function and production process. • Student can understand the behaviour of profit maximising firms. • Students learn about law of variable proportion. • Students learn isoquant and isocost lines and cost minimising equilibrium condition. • Students can understand what is revenue and profit maximizations , minimizing losses. • Students can Draw industry supply curve and can understand economies and diseconomies of scale. 	<p>36</p> <p>37</p> <p>38</p> <p>39</p> <p>40</p> <p>41</p> <p>42</p> <p>43</p>	<p>What is cost, types of costs. Short run and long run costs.</p> <p>Relationship between different cost curves</p> <p>Production function and process. Law of variable proportions, Reason for variable proportions.</p> <p>Equilibrium condition of a firm.</p> <p>Total revenue, total profit, different identity marginal and average.</p> <p>Profit maximization and cost minimization.</p> <p>Industry supply curve</p> <p>Economies of scale and diseconomies of scale</p>

	<ul style="list-style-type: none"> • Students will learn about perfect competitive firm. • Students understand demand and revenue in perfect competitive firm. • Students will be familiar with short run and long run equilibrium of perfect competitive firm. • Students understand long run supply curve of a perfect competitive firm in different cost industries like decreasing, increasing and constant cost. • Student will be able to understand allocation efficiency under perfect competition. 	44	Introduction competitive markets and perfect competitive market.
		45	Demand curve in perfect competitive market and revenue.
		46	Market equilibrium of perfect competitive market in short run
		47	Market equilibrium of perfect competitive market in long run
		48	Supply curve in perfect competitive firm in long run with different costs.
		49	Supply curve in perfect competitive firm in long run with decreasing costs.
		50	Supply curve in perfect competitive firm in long run with increasing costs.
Unit-5 Imperfect Market Structure	<ul style="list-style-type: none"> • Student will be able to understand Imperfect Market Structure and monopoly. • Student will be able to understand anti-trust policy • Student also able to understand govt. policies towards monopoly. 	51	Imperfect Market Structure Monopoly
		52-53	What is anti-trust policy.
		54-57	Government policies towards competition; imperfect competition
Unit-6 Input Markets	<ul style="list-style-type: none"> • Student also able to understand Input Markets Labour and land markets • Student can explain marginal productivity of labour, marginal revenue product. 	58-59	<p>Input Markets Labour and land markets. productivity of an input, marginal productivity of labour, marginal revenue product.</p> <p>demand for labour; input demand curves; shifts in input demand curves.</p>

	<ul style="list-style-type: none"> Student can explain labour demand and labour mkt. equilibrium. 		competitive labour markets; labour markets and public policy
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Evaluation Scheme: Internal Assessment and end Semester Exam

No.	Component	Duration	Marks
1.	Test-1 (IA)	1 hour	10
2.	Test-2 (IA)	1 hour	10
3.	Attendance		5
			Total marks for IA =25
4.	End Semester Exam	3 hours	75
			Total marks=100

Course content

UNIT-1 Introduction to Microeconomics	<p>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 trad</p>	10
UNIT-2 Supply and demand: How markets work, markets and welfare M	<p>Markets and competition; determinants of individual demand/supply; demand/supply schedule and</p>	15

	<p>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</p> <p>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>	
<p>UNIT-3 The Households The consumption decision</p>	<p>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
<p>UNIT-4 Firms and perfect market structure</p>	<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>	15
<p>UNIT-5 Imperfect market structure</p>	<p>Imperfect Market Structure Monopoly and anti-trust policy; government policies towards competition; imperfect competition</p>	7
<p>UNIT-6 Input Markets</p>	<p>Input Markets Labour and land markets: Basic concepts (derived demand,</p>	8

	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	
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Suggested Books

1.	Mankiw, N. (2007). Economics: Principles and applications, 4th ed. South Western	2007
2.	Bernheim, B., Whinston, M. (2009). Microeconomics. Tata McGraw-Hill.	2009