

Jamia Millia Islamia
Department of Economics
Four Year Undergraduate Programme (FYUP)
(w.e.f. 2024-25)

Title: Microeconomics- I	
Type of course: Major	Code: 24-ECO-C-100
Semester: I	Credits: 4

Introduction:

The course is designed for the students at entry level in undergraduate programme and to expose students to the basic principles of microeconomic theory. The emphasis will be on teaching the fundamental economic concepts and theories pertaining to the important economic players – the consumer and the producer. This course will use graphical/diagrammatical methods to illustrate how microeconomic concepts can be understood with lucidity and the students may be exposed to apply the learnings to analyze real-life situations.

Course Objectives:

- To understand the basic concepts of Economics
- To learn the trade-offs and allocation problems due to scarcity of resources, while optimising the economic decisions.
- To analyse the individual behaviour to make consumption and production decisions.
- To connect theories to real world situations.

Learning Outcomes:

- The students are expected to be equipped with a solid understanding of microeconomic theory and its practical applications.
- To understand the behaviour of consumers and producers in relation to consumption and production.
- Preparing the students for further study in economics and related fields.

Course Contents:

Unit-I: Basic Economic Concepts

Introduction to Economics and Economic Problems

Economic Trade offs, Opportunity Costs, and Resource Allocation,

Assumptions of Rationality, Consistency and Transitivity

Law of Demand/Supply, Determinants of Demand/Supply,

Individual Demand/Supply, Market Demand/ Supply Curve

Concept of Equilibrium – Static and Dynamic

Elasticity of Demand/Supply and Its Measurement,

Consumer/Producer Surplus.

Unit-II: Theory of Consumer Behaviour

Consumer Preferences, Utility and Choice

Consumer's Equilibrium - Cardinal Utility Approach, Ordinal Utility Approach, Revealed Preference Approach

Derivation of Demand Curves – Marshallian Approach, IC Approach and Revealed Preference Approach

Price Consumption Curve, Income Consumption Curve, Engel Curve

Income Effect, Substitution Effect and Price Effect (Hicks and Slutsky Approaches)

Unit-III: Theory of Production and Costs

Production Functions – Linear, Quasi-linear, Cobb-Dauglas, CES

Law of Variable Proportions, Returns to Scale, Elasticity of Substitution

Isoquants, Iso-Cost Lines, Producer's Equilibrium

Traditional Theory of Costs - Short run and Long run Cost Curves

Modern Theory of Cost – Short run and Long run Cost Curves,

Engineering Cost Curves - Short run and Long run Cost Curves,

Cost Curves and Their Relationships, Economies of Scale and Relevance of Shapes of Cost Curves in Decision Making.

References:

1. Varian H.R: Intermediate Microeconomics, 7th Edition 3 2.
2. Pindyck, Rubinfeld and Mehta: Microeconomics, 6th Edition
3. Ferguson and Gould: Microeconomics, 6th Edition
4. Gravelle and Rees: Microeconomics; Pearson Education, 2nd Edition
5. Nicholson, Microeconomics
6. Koutsoyiannis, A.: Modern Microeconomics