

Introduction to Economics

Course Code: **TECO1C001T**

Course Title: Introduction to Economics

Semester: I

Credits: 4

Rationale

The course's stated objective is to stimulate students' curiosity in economic theory and practise, as well as the working of the economy as a whole. The course's primary objective is to equip students with a basic knowledge of economics and the market system. The course will provide students with the fundamentals of economic thinking, allowing them to take a fresh look at a variety of issues ranging from public policy to their own lives.

Course Outline

Contents	No. of Lectures
Unit I: Introduction Scarcity and efficiency- the twin themes of economics; difference between microeconomics and macroeconomics; thinking like an economist – marginal benefit and marginal cost; the role of property rights in markets; markets and government in a mixed economy.	7
Unit II: Concept of Demand and Supply The elementary theory of demand: determinants of household demand; market demand and its importance; shifts in the market demand curve. The elementary theory of supply: factors influencing supply; derivation of the supply curve; shifts in the supply curve, Price elasticity of Demand.	7
UNIT III: Concept of Market The elementary theory of market price: determination of equilibrium price in a competitive market; the effect of shifts in demand and supply; the excess demand function	7
Unit IV: Household Behaviour and Consumer Choice Household Choice in Output Markets, The Basis of Choice: Utility; Income and Substitution Effects, Household Choice in Input Markets: The labour supply decision	7
Unit V: The Economics of the Public Sector Externalities and Market Inefficiency, Private Solution to Externalities, The Coase Theorem, Public goods and Common Resources, The Free-Rider Problem, The Design of the Tax System.	7

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Course Outcomes

After the successful completion of the course, the students will be acquainted to

1. Understand the nature and scope of economics along with the knowledge of how the economy works.
2. Understand the different forms of market and about their functioning
3. Learn about the household behaviour and how consumers make decisions and interact in input markets.

Text Books

1. Case K E, Fair R C and Oster S M (2012), *Principles of Economics*: Prentice Hall
2. Mankiw N G (2020), Ninth ed., *Principles of economics*: Cengage Learning, Inc
2. Varian H R (2010), *Intermediate Microeconomics: A Modern Approach*, W.W. Norton & Company.

Reference Books

1. Richard G. Lipsey (1963) . *An Introduction to Positive Economics*, London, Weidenfeld and Nicolson.
2. R. Preston McAfee and Tracy R. Lewis. *An Introduction to Economic Analysis*, Flat World Knowledge, L.L.C., 2009.
3. Paul A. Samuelson and William D. Nordhaus. *Economics*, Tata McGraw Hill Edition 1998.

h. Lohani





