

Minutes of the Meeting

Principles of Microeconomics I

- **Course Code** : ECON025
- **Course Abbreviation** : PMIC1
- **Credits**: 4
- **Duration (per week)**: 4 hours (3 lectures+1 tutorial)

Meeting held on 18 October 2022, 5 pm (online) and 26 October 2022, 6 pm (online)

By: Prof Anirban Kar & Vishruti Gupta

Attended By:

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Deepashree	Shri Ram College of Commerce
Aakriti Saini	Satyawati College (M)
Anu Singh Deswal	JMC
Aradhna Nanda	SGGS College of Commerce
Reena Devi	Kamla Nehru
Apoorva Gupta	Hansraj College
Dr Bhawna Pareek	Shaeed Bhagat Singh
Basanti	Satyawati College
Nalini Panda	I. P. College
Bindu	I. P. College
Dr S N Rao	Maharaja Agrasen
Balkrishnan Negi	
Gurpinder Kaur	SGGS College of Commerce
Sanjeev Grewal	St. Stephen's College
Manjula Singh	St. Stephen's College
Swarn Lata Meena	
Pooja Yadav	Miranda House
Dishi Agarwal	
Hema Nagpal	Sri Auribindo College
Megha Jacob	JMC
Yogita Yadav	SVC
Dr. Renu Verma	MLN(E)

- **Course Objectives:**

This course discusses the basic principles in Microeconomics and their applications. It includes consumer's problem, demand estimation, production function, cost functions and market analysis. It illustrates how the concepts of microeconomics can be applied to analyze real-life economic situations.

- **Course Learning Outcomes:**

The students learn some basic principles of microeconomics of consumer and producers, and interactions of supply and demand, characteristics of perfect competition, efficiency and welfare outcomes.

- **Content (Unit-wise):**

Unit 1: Introduction

Problem of scarcity and choice: scarcity, choice and opportunity cost; production possibility frontier; economic systems. Demand and supply: law of demand, determinants of demand, shifts of demand versus movements along a demand curve, market demand, law of supply, determinants of supply, shifts of supply versus movements along a supply curve, market supply, market equilibrium. Applications of demand and supply: price rationing, price floors, consumer surplus, producer surplus. Elasticity: price elasticity of demand, calculating elasticity, determinants of price elasticity, other elasticities

[M] Chapter 1 (Principles 1 to 7), 2 (section 2.1e only PPF), 4, 5, 6, 7
4 Weeks

Unit 2: Consumer Theory

Budget constraint, concept of utility, diminishing marginal utility, Diamond-water paradox, income and substitution effects; consumer choice: indifference curves, derivation of demand curve from indifference curve and budget constraint.

[M] Chapter 21
3 Weeks

Unit 3: Production and Costs

Production: behaviour of profit maximising firms, production process, production functions, law of variable proportions, choice of technology, isoquant and isocost lines, cost minimizing equilibrium condition
Costs: costs in the short run, costs in the long run, revenue and profit maximization, minimizing losses, short run industry supply curve, economies and dis- economies of scale, long run adjustments.

[BW] Chapter 7, 8, 9.1 & 9.2
4 Weeks

Unit 4: Perfect Competition

Assumptions: theory of a firm under perfect competition, demand and revenue; equilibrium of the firm in the short run and long run; Long run industry supply curve: increasing, decreasing and constant cost industries.

Welfare: allocative efficiency under perfect competition.

[M] Chapter 14
Week 3

- **Suggested Readings**

[M] Mankiw, N. G. (2018). *Principles of Microeconomics* 8th ed.

[BW] Bernheim, B., Whinston, M. (2009). *Microeconomics*. Tata McGraw-Hill.

- **Course Assessment: Internal Assessment - 25, Final Examination - 75**

Suggested weightage for each unit in the final examination

Unit 1 – 20 marks

Unit 2 – 20 marks

Unit 3 – 20 marks

Unit 4 – 15 marks

This division is flexible and plus/minus 10% of the marks and can be done in each unit, given the total is 75.