



RAICHUR UNIVERSITY, RAICHUR

**Under Graduate Curriculum for Degree of
Bachelor of Arts (B.A) in**

**Economics
(I & II Semester)**

**As per Revised NEP 2024
With Effect from the Academic year from
2024-25 and onwards**

BACHELOR OF ARTS
Economics: Semester – I
Principles of Microeconomics

Course Outcomes (COs):

At the end of the course, students will be able to:

1. Understand the fundamentals of Microeconomics.
2. Understand the theories of production, cost and market structure.

Module:1	Introduction to Microeconomics Nature and scope of Microeconomics – Micro v/s Macro Economics- Problem of scarcity and Choice- Basic Principles of Economics-, economic science, Positive and normative analysis – Concept of Partial Equilibrium vs. General Equilibrium- Concept of Firm and Industry
Module: II	Supply and Demand Analysis Demand: Meaning and determinants, Demand Schedule - Law of Demand: Exceptions of Law of Demand; Elasticity of Demand, Price, Types: Income and Cross Elasticity. Degree of Elasticity. Methods of Measuring Elasticity of Demand. Law of Supply: Movement and Shifts in Supply Curves. Elasticity of Supply, Determinants of Supply.
Module: III	Theory of Consumer Behavior Cardinal Utility Theory: Concept of Utility: Marginal Utility and Total Utility; Law of diminishing Marginal Utility: Law of Equi-marginal utility Consumer's Equilibrium, Marginal valuation, Consumer's Demand Curve, Consumer's Surplus. Ordinal Utility Theory: Indifference Curve Approach; Consumer's Preferences; Budget Line; Consumer's Equilibrium Income and Substitution Effects, Price Consumption Curve.
Module: IV	Theory of Production and Costs Production Function – The Law of Variable Proportions, The Laws of Returns to Scale- Isoquants and its applications- Equilibrium of the firm using Isoquant- Cost Concepts: Explicit, Implicit, Fixed, Variable, Total, Marginal, Average, Fixed, Average Variable and Opportunity Cost. Costs in the short run and long run; Revenue Concept: Total, Average, and Marginal. Profit maximization and Cost minimization.
Module: V	Theory of Market Structure Meaning and Classification of Market: Perfect competition – Features –Price and Output Determination. Monopoly- Types-Features –Price and Output Determination – Price Discrimination- Monopoly Power. Monopolistic Competition - Features –Price and Output Determination – Price Discrimination. Oligopoly – Types- Features – Price and Output Determination – Cartel – Kinked Demand Curve.
Text Book: 1. Ahuja, H.L., “Modern Economics”, S.Chand& Co. 2. Koutsoyiannis, A (1990): Modern microeconomics. Macmillan, London 3. Salvatore, Dominick (2006): Micro Economics: Theory and Applications, 4th Edition, Oxford University Press.	