

BA Ist Year, Semester I/II

Minor Paper 1: Basic Economics

Programme/Class: Certificate/BA	Year: First	Semester: First/Second
Subject : Economics		
Minor Paper	Course Title: Basic Economics	
Course Outcome:		
<p>The students will be:</p> <ul style="list-style-type: none"> • Familiarized with the basic concepts of economics, like scarcity, production possibility curve, slope etc. • Able to use concept of elasticity and production possibility curve. • Able to understand the logic behind economics. • Understand the theory of interest rate, Quantity Theory of Money (QTM), • Able to demonstrate and understand the meaning of inflation, calculation of inflation, the Phillips curve, inflation and unemployment. 		
Credit: 4		Minor Paper
Total Marks: 100		Pass Marks : 40
Total No. of Lectures- (in hours per week): L-4/w		
Unit	Topics	No. of Lectures
Part I		
I	Introduction: Why do We Study Economics; Microeconomics and Macroeconomics; The Subject Matter of Economics; Ten Principles of Economics; Introduction of Demand and Supply Curve	04
II	Scarcity: Scarcity and Choice; Opportunity Cost and Production Possibility; Unemployment and Production Possibility Curve; Economic Growth and Production Possibility Curve; Economic Growth: Choice between Consumer Goods and Capital Goods; Economic Development: The Problem of Take-off; Assumptions of Production Possibility Curve	06
III	The Logic behind Economics: Economics and Economic Theory; Variables; The Role of Assumptions; Stocks and Flows; Prediction, Prophecy, and Forecasting; Functional Forms; Functional or Causative Relationship; Regression Analysis; Regression Equation; The Slope of Curves; Use of Slope in Economics; The Elasticity; Price Elasticity of Demand; Slope and Elasticity	10
Part II		
IV	Theory of Interest Rate: The Classical Theory of Interest; Neo-classical Theory of Interest or Lovable Funds Theory of Interest; Keynes Theory of Liquidity Preference; Neo-Keynesian Theory of Interest or Hicks IS – LM Curve or Modern Theory of Interest	10
V	Economic Growth, Inflation and Unemployment Economic Growth and Economic Development; Factors Determining	15

	Economic Growth; Neo-classical Growth Theory; Decreasing Returns to a Single Factor ; Constant Returns to Scale; New Growth Theory: Technological Change in the Neo-classical Growth Models; National Income and Unemployment; Inflation; Unemployment; Inflation and Unemployment: Keynesian Views, The Phillips Curve; The Phillips Curve: Monetarists View. Measurements of the Macroeconomy: Measuring the Cost of Living: Consumer Price Index; Gross Domestic Product (GDP); Gross Domestic Product at Factor Cost (GDP _{FC}); Computation of National Income; Measuring Joblessness: The Unemployment Rate.	
VI	Price of a Commodity and the Value of Money Commodity and Money; Quantity Theory of Money (QTM) Approach; Irving Fisher's Transaction Approach; The Quantity Equation in Income Form; Cash-Balance Approach or Cambridge Approach ; Demand for Money and Stock of Money; Keynes' Reformulation of the quantity theory of money; Milton Friedman's Quantity Theory of Money (QTM) or Chicago Version of QTM; Money, Prices, and Inflation; Income Theory of money or Saving-Investment Theory of Money; Liquidity Theory of Money; Radcliffe-Sayers' version of the Liquidity Theory; Gurley-Shaw version of the Liquidity theory; The Real Balance Effect; The Pigou Effect; Patinkin's Integration of the Monetary Theory and the Value Theory.	15
<p>Suggested Reading :</p> <ol style="list-style-type: none"> 1. Salvatore, Dominick (2010): Principles of Microeconomics, Oxford University Press Publications, New Delhi. 2. Dominick Salvatore. Microeconomics Theory. Third Editions, Schaum's Outlines, McGrawHill Education(India) Private Limited. 3. Pal, Rajesh (2018): Issues and Concepts of Economics. Adhyayan Publishers and Distributors, New Delhi. 4. Ahuja, H.L.(2018): Advanced Economic Theory Microeconomic Analysis, S.Chand & Company. 		