

SYLLABUS OF MICRO ECONOMICS

FOR

B.A., LL.B. (HONS.)



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Semester III
Economics I (Micro Economics)

Objective: The objective of this paper is to provide broad understanding of basic concepts of economics and understanding of relationship between economics and law. The course is designed for the beginners with no formal background or little acquaintance with economics. The objective is to give the students with a clear understanding of the basic concepts, tools of analysis and terminologies used in economics, to facilitate their understanding of various legal phenomena. Emphasis will be on the use of graphs, diagrams and numerical tables/schedules for exposition.

The knowledge of Economics is now extremely important for everybody in the Legal Profession, more so in case of all transactional and Corporate lawyers. Therefore it is always advisable for the students of law to be thoroughly conversant with fundamental and intricate principles of economic system. Economics may therefore be offered to students of all streams.

Contents of syllabus

Module – 1 Introduction:

10 lectures

Definition and scope, basic assumptions, nature of economic laws, should economics be neutral between ends, various economic functions, types of economic studies- macro and micro, definition of some basic concepts – utility, goods, wealth, income, rationality, optimality, commodity, production, consumption, equilibrium, concerns for wealth and welfare. Relationship between law and economics.

Module – 2

15 lectures

Consumer behaviour: Principle and concepts relating to utility, various approaches, concept of elasticity and their types, determinants and importance of elasticity of demand. Theory of indifference curve, consumer's equilibrium - basic principle in Demand and Supply – Demand functions and demand curve, elasticity in demand curve, supply functions and elasticity, aggregative demand and supply - Principle of substitution, Law of Equi marginal returns, Consumer surplus. Price determination, shift of demand and supply. Application of demand and supply –floor and ceilings.

Module – 3

10 lectures

Theory of production and cost – Factors of production - land, labour, capital and organisation, production decisions, production function, Factor substitution, Law of variable proportion, economics of scale, different concepts of cost and the inter-relation, Laws of Returns: - Production Function in Short-Run and Long Run. Revenue Concepts - Total Revenue, Marginal Revenue, Average Revenue and their relationship.

Cost Analysis: - Accounting Costs and Economic Costs, Short Run Cost Analysis: - Fixed, Variable and Total Cost Curves, Average and Marginal Costs. Land characteristics, Labour – definition and characteristics, theories relating to supply of labour, efficiency criteria, and relation of labour and productivity, capital – definition and complexity in defining, some concepts and distinctions, characteristics, functions, growth of capital – savings and investment, Organization – types and characters, state enterprises

Module – 4

15 lectures

Market structures: Economic features, types – demand and supply based, time based, structure based, Perfect competition, Imperfect competition, Monopoly, duopoly, oligopoly and monopsony, Monopoly and Combination- informal understanding, formal agreement to form cartel, trust, holding company; amalgamation and merger, Price determination

Model- 5

5 lectures

Factor pricing and distortion of market: Marginal productivity theory of distribution - theories of rent – theories of determination of wages – theories of determination of interest – risks and uncertainties of production – theories on profit. Distortions to market: Various forms of monopolistic and unfair trade practices – antitrust and anti-cartel legal systems and market regulatory systems to develop in various countries

Model 7

5 lectures

Wealth and welfare economics – meaning of welfare economics – social welfare and principles of justice – social welfare functions – social choice and social welfare – New Welfare Economics – concepts and features, new concepts of welfare economics: Price regulation, bail out of industries, Public distribution system, administered and support price, MRP.

Note: The number of lectures indicated against each unit is tentative only and the same may proportionately vary depending on whether traditional method or blended teaching or purely online classes are to be conducted.

Suggested Readings:-

- 1 Textbook of Economic Theory - Stonier and Hague; Longman Green and Co., London.
- 2 Introduction to Positive Economics - Richard G. Lipsey
- 3 Micro Economics - M. L. Jhingan; (Vrinda Publications, New Delhi.)
- 4 Micro Economic Theory – Dr. V. C. Sinha – (SahityaBhawan, Agra)
- 5 K. K. Dewett-Modern Economic Theory (S. Chand Publications)
- 6 S. R. Myneni- Principles of Economics, (Allahabad Law Agency).
- 7 Samuelson and Nordrons- Economics (McGraw Hill. Inc.)
- 8 R.L. Millar- Economics Today (Addison Wesley)
- 9 Dominick Salvatore, Micro Economics: Theory and Application, Oxford University Press, Indian Edition, New Delhi, 2007.

- 10 Paul Samuelson, Paul, Economics, Tata McGraw Hill Publishing Company Limited, New Delhi, 2007.
- 11 M.L. Seth, Principles of Economics, Lakshmi Narain Agarwal Educational Publishers, Agra, Thirty Fifth Edition, 2001.
- 12 H.L. Ahuja, Advanced Economic Theory: Micro Economic Analysis, S. Chand and Company Limited, New Delhi, 2007.
- 13 P.N. Chopra, Principles of Economics, Kalyani Publishers, Ludhiana, 2006.