

SEMESTER –III

Humanities / Social Sciences

MLD: BASIC ECONOMIC CONCEPTS AND MEASUREMENT

Credit 3

Module 1: Principles of Economics

Economic problems – Economics and household management – Scope of economics -
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Optimization with constraints in economic analysis - Ten basic Principles of Economics -
Microeconomics vs Macroeconomics – Normative and Positive Economics - Economic
systems.

Module 2: Concepts in Microeconomics

Basic concepts and measurement in consumer analysis: Utility, tastes and preferences, types
of goods, income, wealth, prices of goods and services, budget constraint, indifference
curve, utility maximization, elasticity – Basic concepts and measurement in producer
analysis: Labour, Capital, technology, factor productivity, revenue, cost, profit, returns to
scale, economies and diseconomies of scale, - Different market structure and market
Equilibrium - Market imperfections and externalities.

Module 3: Concepts in Macroeconomics

Measurement of standard of living and national income accounting – circular flow of
income
- major socioeconomic indicators, cost of living indicators – key macroeconomic
variables: saving, investment, interest rate, money, inflation, balance of payments,
foreign exchange rate, labour force and unemployment rate, Evolution of
macroeconomic thinking: An overview

Readings:

1. Abel, Bernanke and Croushore, Macroeconomics, Pearson Education, 8th Edition, 2013.
2. Case, K.E. and Fair, R.C, Principles of Economics, Pearson Publisher, 8th Edition, 2013.
3. Dornbusch, R., Fischer, S. and Startz, R. Macroeconomics, Tata McGraw Hill, 12th Edition, 2018.
4. Gregory Mankiw, Principles of Economics,
5. Samuelson and Nordhaus, Economics, TATA McGraw Hill, 20th Edition, 2019