

GOPALAN PRE UNIVERSITY COLLEGE (AS752)
SUBJECT & CODE: ECONOMICS(22)

<u>TOPIC AND CONTENT</u>	<u>NO.OF HOURS</u>
<u>Micro-economics</u> 1.Introduction to Economics <ul style="list-style-type: none"> • Introduction, • The Concept of an Economy, • Basic Problems of an Economy, • Organisation of Economic Activities 1 Centrally Planned Economy – Market Economy – Mixed Economy, • Positive and Normative Economics, • Deductive and Inductive Methods of Economics, • Concepts of Micro and Macro-economics, • Uses of Microeconomics, • Limitations of Micro–economics 	10
2.Theory of Consumer Behaviour <ul style="list-style-type: none"> • Introduction, • Utility Analysis, • Cardinal and Ordinal Approach, • Concepts of Utility, • Concept of Consumer Behaviour – Budget Line and Budget Set, • Indifference Curve Analysis – Meaning of Indifference Curve – Map and Properties, • Optimal Choice of the Consumer 	12
3.Demand Analysis <ul style="list-style-type: none"> • Introduction, • Demand – Meaning and its determinants, • Demand Function, • Law of Demand – Normal and Inferior goods, • Substitutes and Complementaries – Shifts in Demand curve, • Elasticity of Demand – Concepts of Elasticity – Price Elasticity, Income Elasticity, Cross Elasticity 	10
4.Production and Cost <ul style="list-style-type: none"> • Introduction, • Concept of production function – Isoquants, Marginal Rate of Technical Substitution – Concept of Total Product, Average Product and Marginal Product – Short Run and Long Run analysis of production – The Law of Variable proportion – Returns to scale, • Production Cost – Concept of Cost – Classification of Short run cost – Long run cost – Other types of costs 	12

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<p>The Theory of the Firm and Perfect Competition</p> <ul style="list-style-type: none"> • Introduction, • Meaning of Market, Firm and Industry, • Market Structure – Meaning and Features of Perfect Competitive Market, • Revenue – Total Revenue, Average Revenue, Marginal Revenue, • The Relationship between Total Revenue, Average Revenue and Marginal Revenue under Perfect Competition, • Supply – Short run and Long run supply curve of a firm – Determinants of supply – Law of Supply, • Price Elasticity of Supply, • Equilibrium under Perfect Competition 	12
<p>5.Imperfect Competitive Markets (Non-competitive Markets)</p> <ul style="list-style-type: none"> • Introduction, • Monopoly – Features, Total Revenue (TR), Average Revenue (AR) and Marginal Revenue (MR) – Short-run and Long-run Equilibrium, • Monopolistic Competition – Meaning, Features, Short-run equilibrium, • Oligopoly – Characteristics, • Duopoly – Meaning 	13
<u>Macro-economics</u>	
<p>6.Introduction</p> <ul style="list-style-type: none"> • The Concept of Macroeconomics, • Emergence of Macroeconomics, • Nature and Scope of Macro-economics, • Limitations of Macro-economics, • Differences between Micro and Macro-economics 	7
<p>7.National Income Accounting</p> <ul style="list-style-type: none"> • Introduction, • Basic Concepts of National Income, • Circular flow of Income, • Some Macro-economic Identities – Gross Domestic Product (GDP), Net Domestic Product (NDP), Gross National Product (GNP), Net National Product (NNP), Personal Income (PI), Personal Disposable Income (PDI), Nominal National Income, Real National Income and Per Capita Income. • Measurement of National Income – Income method, Expenditure method and Product or Value Added method, • Difficulties in Measuring National Income, • National Income and Welfare 	9
<p>8.Money and Banking</p> <ul style="list-style-type: none"> • Introduction, • Definition and Functions of Money, • Demand for Money – Transactionary motive, Precautionary motive and Speculative motive. • Supply of Money – Measures of Money supply, • Commercial Banks – Meaning and functions of Commercial Banks – Credit creation by Commercial Banks, 	12

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<ul style="list-style-type: none"> Central Bank – Meaning and Functions of RBI – Monetary Policy of RBI – Objectives and Instruments 	
9. Consumption and Investment Function <ul style="list-style-type: none"> Introduction, Concepts of Consumption, Income, Savings and Investment, Keynes Consumption Function – Average Propensity to Consume (APC), Marginal Propensity to Consume (MPC) – Importance and determinants of Consumption function, Investment Function – Meaning, types and determinants of Investments, Multiplier 	8
10. Government Budget and the Economy <ul style="list-style-type: none"> Introduction, Budget – Meaning, types and components, Fiscal Policy – Meaning, Objectivities, Instruments of Fiscal Policy – Public Expenditure – Public Revenue – Public Debt – Deficit Financing, Budget Deficits – Meaning and types 	8
11. Open Economy <ul style="list-style-type: none"> Introduction, Meaning of Closed and Open Economies, Basic Concepts of Trade – Unilateral, Bi-Lateral and Multilateral Trade, Balance of Trade (BOT) and Balance of Payments (BOP), Foreign Exchange Market – Meaning, Determination of exchange rate, Exchange rate systems 	7