Subject: Allied Course – Third Semester (DC-II FYUP Course similar to DC-I Principles of Economics

Course: Introductory Economics

Date of Meeting: Friday 1st August, 2014, 2.30 P.M.

Venue: Department of Economics, Delhi School of Economics
University of Delhi, Delhi – 110 007

Chair: Dr. Parikshit Ghosh

Attended by:

1. Himanshu Singh Satyawati College (E)
2. Subansh Prasad Singh Sri Aurobindo College
3. Shivani Gupta DCAC
4. Stuti Gupta Shyam lal (E)
5. Nalini Panda IP College
6. Jibin Jose Miranda House
7. Shreya Dhall JMC
8. Shailaja S. Thakur Venkateswara College
9. Dr. Abnash Kaur SGND
10. Baishakhi Mondal IP College
11. Jayashree S. LSR College
12. Divya Misra LSR College
13. Ishmeeta Singh SGTB Khalsa College
14. Savita Singh Deshbandhu College
15. Francis Kumari LB College
16. Devendra Kumar JDM
17. Trisha Jolly JDM
18. Pankaj Kumar PGDAV College
19. Amrat Lal Meena MLN College

Course Description

This course is designed to expose the students to the basic principles of economics. The emphasis will be on thinking like an economist and the course will illustrate how economic concepts can be applied to analyse real-life situations.

Course Outline

1. Exploring the Subject Matter of Economics
Why study economics? The scope and method of economics; scarcity and choice; questions of what, how and for whom to produce and how to distribute output; the basic competitive model; prices, property rights and profits; incentives and information; rationing; opportunity sets; economic systems, gains from trade; comparative advantage and trade.

Mankiw, Chapters 1-3.
Individual demand and supply schedules and the derivation of market demand and supply; shifts in demand and supply curves; the role of prices in resource allocation; the concept of elasticity and its application; consumer and producer surplus; taxes and their efficiency costs; restrictions on trade.

Mankiw, Chapters 4-9.

3. Introduction to Macroeconomics and National Income Accounting
Basic issues studied in macroeconomics; measurement of gross domestic product; income, expenditure and the circular flow; real versus nominal GDP; price indices.

Mankiw Chapters 23, 24 (513-521).

4. Money and Inflation
Functions of money; quantity theory of money; determination of money supply and demand; credit creation; tools of monetary policy; inflation and its social costs; hyperinflation.

Mankiw, Chapters 29, 30.

Textbook

Supplementary Readings

Final Examination Format
There will be two parts. Part I will cover microeconomics (topics 1 and 2), while part II will cover macroeconomics (topics 3 and 4). There will be 4 questions in each part. Students will have to answer 5 questions, out of which at least 2 questions must be from Part I and at least two questions from Part II. All questions will carry equal marks.

Minutes of Meeting
1. Gregory Mankiw’s Principles of Economics, 6th edition, has been chosen as the main prescribed textbook. The other books that were on the reading list have been retained as supplementary readings.
2. The relevant chapters from Mankiw’s book have been indicated as reading material for each of the four broad topics to be covered.
3. The format of the final exam has been added to the course outline.
4. It was felt that the lack of any positive theory of business cycles and income fluctuation in the course syllabus, in particular the absence of the simple Keynesian model, is a major shortcoming. However, the committee did not have the mandate to make revisions to the syllabus.