

DEPARTMENT OF ECONOMICS  
DELHI SCHOOL OF ECONOMICS  
UNIVERSITY OF DELHI

Minutes of Meeting

**Subject :** Allied Course – Third Semester (DC-II FYUP Course similar to DC-I Principles of Economics)  
**Course :** Introductory Economics  
**Date of Meeting :** Friday 1<sup>st</sup> 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.

## **2. Supply and Demand: How Markets Work, Markets and Welfare**

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**

1. N. Gregory Mankiw, *Economics: Principles and Applications*, India edition by South Western, Cengage Learning India Private Limited, 6<sup>th</sup> edition, 2012.

### **Supplementary Readings**

1. Joseph E. Stiglitz and Carl E. Walsh, *Economics*, W. W. Norton & Company, Inc. New York, International Student Edition, 4<sup>th</sup> edition, 2007.
2. N. Gregory Mankiw, *Macroeconomics*, Worth Publishers, 7<sup>th</sup> edition, 2010.

### **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*, 6<sup>th</sup> 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.

