

**UNIVERSITY OF DELHI  
DELHI SCHOOL OF ECONOMICS  
DEPARTMENT OF ECONOMICS**

**Minutes of Meeting**

**Subject:** B.A. Programme, First Semester (CBCS)  
**Course:** Principles of Microeconomics - I  
**Date of Meeting:** Friday 31<sup>st</sup> July 2015  
**Venue:** Department of Economics, Delhi School of Economics, University of Delhi  
**Chair:** Prof. Shreekant Gupta

**Attended by:**

- |                          |                                  |
|--------------------------|----------------------------------|
| 1. Parul Gupta           | Miranda House                    |
| 2. Deepti Goel           | Motilal Nehru College            |
| 3. Nandini Jayakumar     | Mata Sundri College              |
| 4. Trisha Jolly          | Janki Devi Memorial College      |
| 5. Anshika Sagar         | Indraprastha College             |
| 6. Srishti Gupta         | Daulat Ram College               |
| 7. Dorothy Roy Choudhury | Bharati College                  |
| 8. Manjula Singh         | St. Stephen's College            |
| 9. S. Rubina Naqvi       | Hindu College                    |
| 10. Jayashree Sahoo      | Lady Sri Ram College             |
| 11. Dr. Anand Mittal     | Hansraj College                  |
| 12. Pragya               | SGTB Khalsa                      |
| 13. Subansh Prasad Singh | Sri Aurobindo College            |
| 14. Dr. Pratibha Agarwal | PGDAV College                    |
| 15. Dr. Anjali Agarwal   | Moti Lal Nehru College (Evening) |
| 16. Puja Pal             | Janki Devi Memorial College      |

**The following text was agreed upon:**

Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, Inc., 8<sup>th</sup> edition, 2007.

**Topic-wise Readings:**

**1. Introduction**

- a. Problem of scarcity and choice: scarcity, choice and opportunity cost; production possibility frontier; economic systems.  
(Chapter 2, Case & Fair)

- b. Demand and supply: law of demand, determinants of demand, shifts of demand versus movements along a demand curve, market demand, law of supply, determinants of supply, shifts of supply versus movements along a supply curve, market supply, market equilibrium.  
**(Chapter 3, Case &Fair)**
- c. Applications of demand and supply: price rationing, price floors, consumer surplus, producer surplus.  
**(Chapter 4, Case &Fair)**
- d. Elasticity: price elasticity of demand, calculating elasticity, determinants of price elasticity, other elasticities.  
**(Chapter 5, Case &Fair)**

## **2. Consumer Theory**

Budget constraint, concept of utility, diminishing marginal utility, Diamond-water paradox, income and substitution effects; consumer choice: indifference curves, derivation of demand curve from indifference curve and budget constraint.

**(Chapter 6, Case &Fair - up to page 130; and Appendix of Chapter 6)**

## **3. Production and Costs**

- a. Production: behaviour of profit maximising firms, production process, production functions, law of variable proportions, choice of technology, isoquant and isocost lines, cost minimizing equilibrium condition.  
**(Chapter 7, Case &Fair; and Appendix of Chapter 7)**
- b. Costs: costs in the short run, costs in the long run, revenue and profit maximizations, minimizing losses, short run industry supply curve, economies and diseconomies of scale, long run adjustments.  
**(Chapter 8 &9, Case &Fair; and Appendix of Chapter 9)**

## **4. Perfect Competition**

- a. Assumptions: theory of a firm under perfect competition, demand and revenue; equilibrium of the firm in the short run and long run; long run industry supply curve: increasing, decreasing and constant cost industries.  
**(Chapter 9, Case &Fair)**
- b. Welfare: allocative efficiency under perfect competition.  
**(Chapter 12, Case & Fair - up to page 263)**

### **Assessment structure:**

As per University norms.