

**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 31st July 2015
Venue: Department of Economics, Delhi School of Economics, University of Delhi
Chair: Prof. Shreekant Gupta

Attended by:

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|--------------------------|----------------------------------|
| 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., 8th 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.