



Shri Vile Parle Kelavani Mandal's

**MITHIBAI COLLEGE OF ARTS, CHAUHAN INSTITUTE OF SCIENCE & AMRUTBEN JIVANLAL  
COLLEGE OF COMMERCE AND ECONOMICS (AUTONOMOUS)**

*NAAC Reaccredited 'A' grade, CGPA: 3.57 (February 2016),*

*Granted under RUSA, FIST-DST & -Star College Scheme of DBT, Government of India,*

*Best College (2016-17), University of Mumbai*

Affiliated to the  
**UNIVERSITY OF MUMBAI**

**Program: F.Y.B.A.**

**Course: ECONOMICS**

**Semester I & II**

**Choice Based Credit System (CBCS) with effect from the Academic year**

**2020-21**

**PROGRAMME OUTCOMES (B.A.):**

**PO1: understand the core foundations of social sciences.**

**PO2: appreciate the diversity of opinions, cultures, beliefs and perspectives.**

**PO3: apply critical thinking and effective communication in real world scenarios.**

**PO4: uphold rationality and ethical values in the pursuit of effective citizenship.**

**PO5: utilize the analytical and soft skills acquired to facilitate an entry into the job market.**

**PO6: pursue the ideal of lifelong learning in a tech-savvy world.**

**PROGRAMME SPECIFIC OUTCOMES (PSO'S):**

On completion of the **B.A. – ECONOMICS**, the learners should be enriched with knowledge and be able to-

**PSO1: understand the theoretical foundations of economics.**

**PSO2: apply economic theory for economic analysis, forecasting and policy making, in the context of real world issues.**

**PSO3: identify economic problems and use qualitative and quantitative tools for building econometric models, testing the validity of theory and drawing inferences for suggesting possible solutions to the problem.**

**PSO4: use latest statistical software tools such as Excel and R for economic modeling of research problems and quantitative analysis.**

**PSO5: have a thorough exposition of contemporary economic issues through debates, discussions, research and report writing.**

**PSO6: apply critical thinking and reasoning ability for conducting review of literature, undertaking formal economic research and effectively communicating the research outcomes.**

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**Evaluation Pattern**

The performance of the learner will be evaluated in two components. The first component will be a Continuous Assessment with a weightage of 25% of total marks per course. The second component will be a Semester end Examination with a weightage of 75% of the total marks per course. The allocation of marks for the Continuous Assessment and Semester end Examinations is as shown below:

**a) Details of Continuous Assessment (CA)**

25% of the total marks per course:

<b>Continuous Assessment</b>	<b>Details</b>	<b>Marks</b>
<b>Component 1 (CA-1)</b>	<b>PRESENTATIONS CUM ASSIGNMENTS</b>	<b>15 marks</b>
<b>Component 2 (CA-2)</b>	<b>CLASS TEST</b>	<b>10 marks</b>

**b) Details of Semester End Examination**

75% of the total marks per course. Duration of examination will be two and half hours:

<b>Question Number</b>	<b>Description</b>	<b>Marks</b>	<b>Total Marks</b>
Q1.	Answer any two of the following : (Any 2/3) (Based on Module 1)	(7.5 marks each)	(15)
Q2.	Answer any two of the following : (Any 2/3) (Based on Module 2)	(7.5 marks each)	(15)
Q3.	Answer any two of the following : (Any 2/3) (Based on Module 3)	(7.5 marks each)	(15)
Q4.	Answer any two of the following : (Any 2/3) (Based on Module 4)	(7.5 marks each)	(15)
Q5.	Answer any two of the following : (Any 2/4) (Based on all Modules)	(7.5 marks each)	(15)
<b>Total Marks</b>			<b>75</b>

Signature

Signature

Signature

HOD

Approved by Vice –Principal

Approved by Principal

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**Preamble**

This course is designed to introduce the students to elementary concepts in microeconomics and the basic building blocks of macroeconomics. The student should be able to use these concepts to understand the relevance of microeconomics to the real world. The student should be able to build on these concepts in the future to develop a deeper understanding of the economy.

<b>Program: B.A. (2021-22)</b>				<b>Semester: I</b>	
<b>Course: MICROECONOMICS - I</b>				<b>Course Code: UAMAECO101</b>	
<b>Teaching Scheme</b>				<b>Evaluation Scheme</b>	
<b>Lecture (Hours per week)</b>	<b>Practical (Hours per week)</b>	<b>Tutorial (Hours per week)</b>	<b>Credit</b>	<b>Continuous Assessment (CA) (Marks - 25)</b>	<b>Semester End Examinations (SEE) (Marks- 75 in Question Paper)</b>
<b>04</b>	-	-	<b>04</b>	<b>25</b>	<b>75</b>
<b><u>Learning Objectives:</u></b>					
<ol style="list-style-type: none"> <li>1. To introduce the students to the fundamental concepts in microeconomics.</li> <li>2. To understand the relevance of microeconomic phenomena in the real world.</li> <li>3. To develop an understanding of the application of mathematical tools for microeconomic analysis.</li> </ol>					
<b><u>Course Outcomes:</u></b>					
CO1: understand the fundamental principles of microeconomics and decision making behavior of microeconomic agents.					
CO2: describe the relevance of microeconomic phenomena in the real world.					
CO3: apply basic mathematical tools for microeconomic analysis such as graphs and linear functions.					
CO4: understand the idea of an economic model and role of assumptions with examples like the Circular Flow Model.					
CO5: apply market structure analysis, cost and pricing strategies to real life situations.					
<b>Outline of Syllabus: (per session plan)</b>					
<b>Module</b>	<b>Description - Title</b>				<b>No of Hours</b>
I	Introduction to Microeconomics – Concepts and Methods				15

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II	Tools for Microeconomic Analysis	15
III	Market Analysis	15
IV	Cost and Pricing	15
	Total	60
<b>PRACTICALS</b>		-

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<b>Unit</b>	<b>Topic</b>	<b>No. of Hours/Credits</b>
<b>Module I</b>	<p><b>Introduction to Microeconomics – Concepts and Methods</b></p> <ul style="list-style-type: none"> <li>• How People make decisions (4 Principles)</li> <li>• How People interact (3 Principles)</li> <li>• The Economist as Scientist</li> <li>• Role of assumptions</li> <li>• Economist as Policy Advisor</li> <li>• Why Economists disagree ?</li> <li>• Circular Flow Model</li> <li>• Production Possibility Frontier</li> </ul>	<b>15</b>
<b>Module II</b>	<p><b>Tools for Microeconomic Analysis</b></p> <ul style="list-style-type: none"> <li>• Graphs in Economics (Types of Graphs, Two Variable Graphs, Curves on a Graph, Cause and effect, Graph with an omitted variable, Graph suggesting reverse causality, Problems in interpreting Numerical Graphs)</li> <li>• Horizontal and Vertical Curves and their Slopes and Intercepts</li> <li>• The Slope of a Nonlinear Curve (Arc Method, Point Method, Maximum and Minimum Points)</li> <li>• Equations in Linear Demand and Supply Analysis (Market Equilibrium – simultaneous equation solution using substitution and elimination methods)</li> <li>• Linear Cost Functions (derivation with numericals)</li> <li>• Linear Revenue Functions (derivation with numericals)</li> <li>• Linear Profit Functions and Break-even Point (Concept, derivation and numericals)</li> </ul>	<b>15</b>
<b>Module III</b>	<p><b>Market Analysis</b></p> <ul style="list-style-type: none"> <li>• Demand Analysis (Individual versus Market Demand, Autonomous &amp; Derived demand – Determinants of Demand, Law of Demand, Demand</li> </ul>	<b>15</b>

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	<p>Function, Demand Schedule, Demand Curve, Exceptions to Law of Demand, Changes &amp; Variations in Demand, Case studies)</p> <ul style="list-style-type: none"> <li>• Supply Analysis (Individual versus Market Supply, Determinants of Supply, Law of Supply, Supply Function, Supply Schedule, Supply Curve, Shifts in the Supply Curve, Change in Supply, Case studies)</li> <li>• Market Equilibrium (Supply and Demand together - Shifts – Steps to analyzing changes in equilibrium)</li> <li>• Price Elasticity of Demand and Supply (Meaning of Elasticity, Types of Elasticity of Demand, Degrees of Elasticity, Computing Elasticity and Methods of Measurement, Total Revenue and Price Elasticity of Demand, Variety of Supply Curves, Case studies)</li> <li>• Applications to Major Economic Issues ( The Economics of Agriculture, Impact of Tax on Price and Quantity, Minimum Floors and Maximum Ceilings, Minimum Wage Controversy, Energy Price Controls, Rationing by the Queues, Coupons, Purse, Case Studies)</li> </ul>	
<b>Module IV</b>	<p><b>Cost and Pricing</b></p> <ul style="list-style-type: none"> <li>• Cost Analysis (Concepts of costs, Various Measures of Costs and Behaviour of costs in the Short run and Long run, Determinants of Cost Function, Estimating Cost Function, Case studies)</li> <li>• Revenue Analysis (Concepts of Revenue, Behaviour of Linear and Non-linear Revenue Curves, Relationship between Average Revenue and Marginal Revenue, Geometric proof and Mathematical derivation of Relationship between Average Revenue, Marginal Revenue and Price elasticity of demand)</li> <li>• Break Even Analysis (Break Even Point, Break Even Product, Profit Maximization Hypothesis, Equilibrium of firm, Total Revenue – Total Cost Approach, Marginal Revenue – Marginal Cost Approach, Second Order Condition for Equilibrium)</li> <li>• Pricing Practices and Strategies (Cost Plus Pricing, Marginal Cost Pricing, Multiple Product Pricing, Transfer Pricing, Average Cost Pricing, Ramsey Pricing, Peak- Load Pricing)</li> </ul>	<b>15</b>

*To develop scientific temper and interest by exposure through industrial visits and study/educational tours is recommended in each semester*

**Suggested Readings:**

**Basic Reference :**

1. N. Gregory Mankiw, Principles of Microeconomics, 7<sup>th</sup> edition, Cengage Learning, 2015, Ch 1 and 2, Mod I and II.

**Additional References :**

2. Budnick S. Frank, Applied Mathematics for Business, Economics and The Social Sciences, 4<sup>th</sup> ed, Tata McGraw Hill, Ch 2 and 5 , Mod II.
3. Mehta – Madnani, Mathematics for Economists, S Chand Publishers, Mod II.
4. Nordhaus and Samuelson, Economics, 19<sup>th</sup> ed, Tata McGraw Hill, Part II, Ch 7, Mod III and IV.
5. Dr. H.L.Ahuja, Managerial Economics , 8<sup>th</sup> ed, S Chand Publishers, Mod IV.
6. Dwivedi,D.N., Microeconomics :Theory and Applications; Pearson Education (Singapore) Pvt. Ltd, Delhi, Mod III
7. Sen Anindya (2007), Microeconomics: Theory and Applications, Oxford University Press, New Delhi
8. Salvatore D. (2003), Microeconomics: Theory and Applications, Oxford University Press, New Delhi.



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**Preamble**

This course is designed to introduce the student to the basic building blocks of macroeconomics. Using an open economy framework, the course develops an understanding of the constituents of the open economy. The student should be able to build on these constituents in the later years so as to be able to analyze macroeconomic policies.

<b>Program: B.A. (2021-22)</b>				<b>Semester: II</b>	
<b>Course: MACROECONOMICS - I</b>				<b>Course Code: UAMAECO201</b>	
<b>Teaching Scheme</b>			<b>Evaluation Scheme</b>		
<b>Lecture</b> (Hours per week)	<b>Practical</b> (Hours per week)	<b>Tutorial</b> (Hours per week)	<b>Credit</b>	<b>Continuous Assessment (CA)</b> (Marks - 25)	<b>Semester End Examinations (SEE)</b> (Marks- 75 in Question Paper)
<b>04</b>	-	-	<b>04</b>	<b>25</b>	<b>75</b>
<b><u>Learning Objectives:</u></b>					
<ol style="list-style-type: none"> <li>1. To introduce the student to the basic concepts of macroeconomics.</li> <li>2. To develop an understanding of the constituents of an open economy.</li> <li>3. To build their ability for analysis of macroeconomic policy framework.</li> </ol>					
<b><u>Course Outcomes:</u></b>					
CO1: understand the fundamental principles, nature, scope and subject matter of macroeconomics.					
CO2: describe and classify the various constituents of a closed and open economy.					
CO3: measure economic variables like GDP, inflation, unemployment, consumer price index, GDP deflator, investment multiplier, etc.					
CO4: present formal models of income determination.					
<b><u>Outline of Syllabus: (per session plan)</u></b>					
<b>Module</b>	<b>Description</b>				<b>No of Hours</b>
I	Introduction to Macroeconomics – Principles and Concepts				15

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II	Measuring Economic Activity	15
III	Theory of Income Determination	15
IV	Determination of Income in 3 and 4 Sector Models	15
	Total	60
<b>PRACTICALS</b>		-

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Unit	Topic	No. of Hours/Credits
<b>Module I</b>	<p><b>Introduction to Macroeconomics – Principles and Concepts</b></p> <ul style="list-style-type: none"> <li>• How the Economy as a whole works (3 Principles)</li> <li>• What is Macroeconomics about (Long Run Economic Growth, Business Cycles, Unemployment, Inflation, The International Economy, Macroeconomic Policy)</li> <li>• What do Macroeconomists do (Forecasting, Analysis, Research, Data Development)</li> <li>• Why Macroeconomists disagree (Classical versus Keynesian Approaches, Schools of Macroeconomic Thought)</li> </ul>	<b>15</b>
		<b>15</b>
<b>Module II</b>	<p><b>Measuring Economic Activity</b></p> <ul style="list-style-type: none"> <li>• The Economy's Income and Expenditure (Stocks and Flows, Circular Flow Model, Leakages and Injections, Concepts of National Income: GDP, GNP, NNP, NNP<sub>FC</sub>, Personal Income, Disposable Income, Green GDP, Case Studies)</li> <li>• The measurement of GDP (Rules for Computing GDP, Methods of Measurement, Difficulties of measuring National Income, Current Method of Measurement w.r.t. Indian Economy, Numericals on calculation of GDP)</li> <li>• The components of GDP (Consumption, Investment, Government Expenditures, Net Exports)</li> <li>• Real v/s Nominal GDP (GDP Deflator, Chain-Weighted Measures of Real GDP)</li> <li>• Is GDP a good measure of economic well-being (Debates – Limitations of GNP as a measure of Social Welfare)</li> <li>• Measuring Cost of Living: The Consumer Price Index, CPI versus Inflation Rate</li> <li>• Correcting Economic variables for effects of inflation</li> </ul>	
<b>Module III</b>	<b>Theory of Income Determination</b>	<b>15</b>

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	<ul style="list-style-type: none"> <li>• Say's Law : The Foundation of Classical Macroeconomics</li> <li>• Keynesian Basic 2 – Sector Model (Aggregate Expenditure, Determination of Equilibrium Level of National Income, Effective Demand, Algebraic Analysis, Numericals)</li> <li>• Consumption Function (Concepts of Consumption Function, Savings Function, Keynes' Theory of Consumption and Psychological Law of Consumption, Numericals)</li> <li>• Investment Function (Investment Demand –Meaning and Types, Investment Demand Curve, Marginal Efficiency of Capital, Accelerator, Numericals)</li> <li>• A Simple Model of Investment Multiplier</li> </ul>	
<b>Module IV</b>	<p><b>Determination of Income in 3 and 4 Sector Models</b></p> <ul style="list-style-type: none"> <li>• 3 – Sector Model ( Government Expenditure and National Income)</li> <li>• Government Expenditure, Budget Deficit and Capital Markets</li> <li>• Lumpsum Tax and Transfer Payments (Government Expenditure Multiplier, Transfer Payments Multiplier, Tax Multiplier, Numericals)</li> <li>• 4 – Sector Model ( Foreign Trade and National Income, Foreign Trade Multiplier, Numericals)</li> <li>• Trade Balance and International Capital Flows</li> </ul>	<b>15</b>

*To develop scientific temper and interest by exposure through industrial visits and study/educational tours is recommended in each semester*

**Suggested Readings:**

**Basic Reference :**

1. Abel, A. B., B. S. Bernanke and D. Croushore (2011), Macroeconomics, Pearson, New Delhi, Part 1, Ch 1, Mod I.

**Additional References :**

1. Nordhaus and Samuelson, Economics, 19<sup>th</sup> ed, Tata McGraw Hill, Part 5, Ch 20, Mod II.

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2. Dr. H.L.Ahuja, Managerial Economics , 8<sup>th</sup> ed, S Chand Publishers, Ch 3 and 4, Mod III and IV.
  3. N. Gregory Mankiw, Principles of Macroeconomics, 7<sup>th</sup> edition, Cengage Learning, 2015,Ch 1, Mod I.
  4. Mankiw N Gregory, Economic Principles and Applications, 2007 ed, Cengage Learning, Part 8, Ch 2 and 3, Mod II.
  5. Dwiwedi D N, Macroeconomics, Theory and Policy, 3<sup>rd</sup> ed, Tata McGraw Hill, Part 2, Ch 6, Mod III.
  6. Dwiwedi D N, Principles of Economics, Vikas Publishing House, New Delhi.
  7. Sikdar, S. (2006), Principles of Macroeconomics, Oxford University Press, New Delhi.
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