

IL BBA 104 PRINCIPLES OF ECONOMICS (MICRO)

UNIT 1

Introduction

- a. Definitions Of Economics: Scarcity and Growth definitions
- b. Introduction to Micro Economics

Definition, Scope, Importance and Limitations of Micro Economics.

- c. Important Concepts

Economic goods and Free Goods, Price and Value, Want and Demand, Production Possibility Curve.

- d. Economic Systems

Planned Economy, Free Market Economy and Mixed Economy.

UNIT 2

Theory of Demand

- a. Meaning of Demand and Determinants of Demand–Demand Function
- b. Law of Demand, Expansion and Contraction of Demand, Increase and Decrease in Demand, Usefulness of Law of Demand, Exceptions to the Law of Demand
- c. Utility Analysis: Concept of Utility, Law of Diminishing Marginal Utility, Derivation of Demand Curve on the basis of the Utility analysis, Consumer's Surplus

UNIT 3

Theory of Supply

- a. Meaning of Supply, Determinants of Supply, Expansion and Contraction of Supply, Increase and Decrease in Supply
- b. Demand and Supply as determinants of Price
- c. Meaning of Market, Types of Market and their important features: Perfect Competition, Monopoly, Monopolistic Competition and oligopoly

UNIT 4

Theory of Distribution

- a. Marginal productivity Theory of Distribution
- b. Rent: Concepts of Differential Rent and Scarcity Rent, Economic and Contract Rent, Quasi Rent, Pure Rent and Quasi Rent
- c. Wages: Concepts of Time Wages, Piece Wages, Money wages, real Wages, factors determining real Wages
- d. Interest: Gross and Net Interest, Components of Gross

Interest

- e. Profit: Theories of profit–risk, uncertainty, innovation

Suggested Reading :

- (1) Micro Economic Theory by R. Cauvery (S. Chand Publication.)
- (2) Micro Economics by M. John Kennedy (Himalaya Publication)
- (3) Modern Micro Economics by H.L. Ahuja (S. Chand Publication)
- (4) Modern Economic Theory by K.K. Dewett (S. Chand Publication)
- (5) Elementary Theory by K.K. Dewett & J.D. Verma (S. Chand Publication)
- (6) Principles of Economics by D.M. Mithani (Himalaya Publication)