

# UNIVERSITY OF MUMBAI



## **Revised Syllabus for the F.Y.B.A. (Sem I)**

### **Microeconomics – I**

### **Course: Economics**

(As Per Choice Based Credit System with effect from the academic  
year 2019-20)

**F.Y.B.A.**  
**Subject: Economics**  
**Microeconomics – I**  
**Semester – I**

(Academic Year: 2019 - 20)

**Preamble:** This course is designed to expose the students to the basic principles of microeconomic theory. The emphasis will be on the development of analytical thinking with the help of statistical tools among the students and develop the skill of application of microeconomics concepts to analyze the real life situations.

**Module - I: Introduction to Microeconomics** **(12 Lectures)**

Microeconomics: Meaning, Scope, Nature, Importance and Limitations; Basic Economic Problems; Role of Price Mechanism in a Market Economy; Positive Economics and Normative Economics; Concepts of Equation, Functions, Graphs, Diagrams, Line, Slope and Intercept

**Module - II: Ten Principles of Economics** **(12 Lectures)**

Trade-Off Faced by the Individuals; Significance of Opportunity Cost in Decision Making; Thinking at the Margin; Responses to incentives; Benefits from Exchange; Organization of Economic Activities through Markets and its Benefits; Role of Government in improving Market Outcomes; Dependence of Standard of Living on Production; Growth in Quantity of Money; Inflation and Unemployment Trade Off

**Module - III: Markets, Demand and Supply** **(12 Lectures)**

What is a Market; What is Competition; Demand Curves: Market Demand versus Individual Demand, Movements along the Demand Curve, Shifts in the Demand Curve; Supply Curves: Market Supply and Individual Supply, Shifts in Supply Curve; Market Equilibrium - Three Steps to Analyze Changes in Equilibrium; Price Elasticity of Demand, Methods of Measuring Price Elasticity of Demand – Total Outlay Method, Percentage Method and Point Method; Concepts of Income Elasticity of Demand, Cross Elasticity of Demand and Promotional Elasticity of Demand

**Module IV: Consumer's Behavior** **(12 Lectures)**

Introduction to Cardinal and Ordinal Approaches; Indifference Curve Analysis - Properties of Indifference Curves, Budget Line, and Consumer's Equilibrium; Income, Price and Substitution Effect; Derivation of Demand Curve; Consumer's Surplus: Strong Ordering and Weak Ordering

## Reference

1. N. Gregory Mankiw, (2015), "Principles of Microeconomics" 7<sup>th</sup> edition- Cengage Learning.
2. Sen Anindya, (2007), "Microeconomics Theory and Applications" Oxford University press, New Delhi.
3. Salvator D, (2003) "Microeconomics Theory and Applications" Oxford University press, New Delhi.
4. M.L.Jhingan, (2006) "Microeconomics Theory", 5<sup>th</sup> edition Vrinda Publication (P) Ltd.
5. H.L.Ahuja, (2016) "Advance Economics Theory" S.Chand & Company Ltd.
6. Paul Samuelson and W. Nordhaus, (2009): Economics, 19th Edition McGrawHill Publications.