

UNIVERSITY OF MUMBAI



**Syllabus for the F.Y.B.A/B.Sc
Program: B.A/B.Sc
Course: ECONOMICS**

Paper-I at the F.Y.B.A/B.Sc Examinations

(Credit Based Semester and Grading System with
effect from the academic year 2011–2012)

Economics Syllabus
Restructured for Credit Based and Grading System
To be implemented from the Academic year 2011-2012

PREAMBLE

The Board of Studies in Economics has revised the syllabi of F.Y.B.A. Paper - I which will be made effective from the Academic Year 2011-12. The objective of the course is to familiarize the students the basic concepts of Micro Economics, Economic theories and its application. The revised syllabus is framed to understand the Economic theory and its relevance in decision making.

F.Y.B.A Paper – I (SEMESTER - I)

Course Code	UNIT	TOPICS	Credits	L / Week
UAECO101	I	Micro Economics I : Introduction	3	1
	II	Consumers Behaviour and Demand		1
	III	Production and Cost Analysis		1

F.Y.B.A Paper – I (SEMESTER - II)

Course Code	UNIT	TOPICS	Credits	L /Week
UAECO102	I	Micro Economics I: Theory of Firm	3	1
	II	Market Structure		1
	III	Pricing Methods and Capital Budgeting		1

F.Y.B.A Paper – I (SEMESTER - I)

Course Code	Title	Credits
UAECO101	Economic Theory (Micro Economics-I)	3

<p>Unit I : Introduction Meaning, nature, scope, significance and limitations of micro economics. Ceteris Paribus – use and significance. Concept and types of equilibrium: stable, unstable, static and dynamic equilibrium – partial equilibrium and general equilibrium, positive economics and normative economics, managerial economics. Basic concepts – wealth, welfare and scarcity. Basic tools of economics analysis (equations and functions, graphs and diagrams, slope and intercepts)</p>	15 Lectures
<p>Unit II: Consumers Behaviour and Demand Marishallian Approach: Equi-marginal utility, Law of demand- Determinants of demand. Elasticity of demand and its measurement: Price- Income- Cross and Promotional elasticity of demand. Consumer’s Surplus.</p>	15 Lectures

Hicksian Approach: Indifference curves – properties of Indifference Curve, Consumer’s Equilibrium, Price effect, Income effect and substitution effect - Derivation of demand from Price Consumption Curve (PCC) – Giffen’s paradox. Samuelson Approach: Revealed Preference Theory.	
<p>Unit III: Production and Cost Analysis</p> <p>Concept of production function: short run and long run - Cobb-Douglass production function. Isoquants - iso-cost line - producer’s equilibrium. Law of variable proportion and Law of returns to scale - Economies of scale - Economies of scope.</p> <p>Concepts of costs: Money and real cost, Opportunity cost, Social cost, Private cost- Derivation of short run and long run cost curves – Learning curve.</p>	15 Lectures

F.Y.B.A Paper – I (SEMESTER - II)

Course Code	Title	Credits
UAECO 102	Economic Theory (Micro Economics-I)	3

<p>Unit I : Theory of Firm:</p> <p>Concepts of revenue: Total Revenue, Average Revenue and Marginal Revenue – Relationship between TR, AR and MR under perfect and imperfect competition - AR, MR and elasticity. Objectives of a Firm–Analysis of Equilibrium of a firm: TC-TR Approach - MC-MR Approach – Break-Even Analysis</p>	15 Lectures
<p>Unit II : Market Structure:</p> <p>Perfect Competition: Features - Short-run Equilibrium of the Firm and Industry - Long Run Equilibrium of the Firm and Industry. Monopoly: Features - Short-run Equilibrium of the Monopolist under Different Cost Conditions and Long-run Equilibrium of the Monopolist - Discrimination Monopoly: Equilibrium under Discriminating Monopoly - Dumping.</p> <p>Monopolistic Competition: Features, Equilibrium in the Short-run and Long-run – Wastages under Monopolistic Competition – Oligopoly: Features of Oligopoly.</p>	15 Lectures
<p>Unit III : Pricing Methods and Capital Budgeting:</p> <p>Pricing Methods: Marginal Cost Pricing - Full Cost Pricing - Multi product pricing – Limit Pricing: Bain’s Model.</p> <p>Meaning and importance of Capital Budgeting: Methods of Capital Budgeting: Pay Back Period [PBP]- Net Present Value [NPV].</p>	15 Lectures

References:

1. Ahuja H.L. (2005), Advanced Economic Theory, S Chand and Company, New Delhi.
2. Dwivedi, D.N. (2003), Micro Economics : Theory and Applications; Pearson Education (Singapore) Pvt. Ltd, Delhi.
3. Koutsoyiannis, A. (1980) Modern Economics, the Macmillan Press Ltd, London.
4. Lipsey and Chrystal (2004), Economics, Oxford University Press.
5. Mansfield, E. (1997), Micro Economics, W. W. Norton and Company, New York.
6. Mankiw, N.G. (2002), Principles of Economics, Thomson Asia Pte. Ltd., Singapore.
7. Mehta P. L. (2006), Managerial Economics Analysis, Problems and Cases, Sultan Chand & Sons, New Delhi.
8. Samuelson P. A. & Nordhaus W.D. (1998), Economics, Tata McGraw Hill, New Delhi.
9. Salvatore, D. (2003), Micro Economics, Oxford University Press.
10. Stonier A .W. & Hague D.C. (2004), A Textbook of Economic Theory, Pearson Education, Delhi.

Scheme of Examination:

The performance of the learners shall be evaluated into two parts. The learner’s performance shall be assessed by Internal Assessment with 40% marks in the first part by conducting the Semester End Examinations with 60% marks in the second part. The allocation of marks for the Internal Assessment and Semester End Examinations are as shown below:-

(A) Internal Assessment: 40 Marks (40%)

Sr. No	Evaluation type	Marks
1	Two Assignments/Case study/Project	20
2	One Periodical class Test	10
3	Active participation in routine class instructional deliveries(case studies/ seminars//presentation)	05
4	Overall conduct as a responsible student, mannerism and articulation and exhibit of leadership qualities in organizing related academic actives	05

(B) External Theory examination: 60 Marks (60%)

Question Paper Pattern Semester End Examination

Max. Marks: 60

Time: 2 hours

- Note: 1. All questions are **COMPULSORY**
2. Each question carries 15 marks.
3. Draw neat diagrams wherever necessary

Q.1. Answer the following:

- A OR B (From Unit-I) (5)
- C OR D (From Unit-II) (5)
- E OR F (From Unit-III) (5)

Q.2. Answer the following: (From Unit-I)

- A (8)
- B (7)
- OR**
- C (8)
- D (7)

Q.3. Answer the following: (From Unit-II)

- A (8)
- B (7)
- OR**
- C (8)
- D (7)

Q.4. Answer the following: (From Unit-III)

- A (8)
- B (7)
- OR**
- C (8)
- D (7)

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F.Y.B.Sc Paper – I (SEMESTER - I)

Course Code	UNIT	TOPICS	Credits	L / Week
USECO101	I	Micro Economics I : Introduction	3	1
	II	Consumers Behaviour and Demand		1
	III	Production and Cost Analysis		1

F.Y.B.Sc Paper – I (SEMESTER - II)

Course Code	UNIT	TOPICS	Credits	L /Week
USECO102	I	Micro Economics I: Theory of Firm	3	1
	II	Market Structure		1
	III	Pricing Methods and Capital Budgeting		1

F.Y.B.Sc Paper – I (SEMESTER - I)

Course Code	Title	Credits
USECO101	Economic Theory (Micro Economics-I)	3

<p>Unit I : Introduction Meaning, nature, scope, significance and limitations of micro economics. Ceteris Paribus – use and significance. Concept and types of equilibrium: stable, unstable, static and dynamic equilibrium – partial equilibrium and general equilibrium, positive economics and normative economics, managerial economics. Basic concepts – wealth, welfare and scarcity. Basic tools of economics analysis (equations and functions, graphs and diagrams, slope and intercepts)</p>	15 Lectures
<p>Unit II: Consumers Behaviour and Demand Marshallian Approach: Equi-marginal utility, Law of demand- Determinants of demand. Elasticity of demand and its measurement: Price- Income- Cross and Promotional elasticity of demand. Consumer’s Surplus. Hicksian Approach: Indifference curves – properties of Indifference Curve,</p>	15 Lectures

Consumer's Equilibrium, Price effect, Income effect and substitution effect - Derivation of demand from Price Consumption Curve (PCC) – Giffen's paradox. Samuelson Approach: Revealed Preference Theory.	
<p>Unit III: Production and Cost Analysis</p> <p>Concept of production function: short run and long run - Cobb-Douglass production function. Isoquants - iso-cost line - producer's equilibrium. Law of variable proportion and Law of returns to scale - Economies of scale - Economies of scope.</p> <p>Concepts of costs: Money and real cost, Opportunity cost, Social cost, Private cost- Derivation of short run and long run cost curves – Learning curve.</p>	15 Lectures

F.Y.B.Sc Paper – I (SEMESTER - II)

Course Code	Title	Credits
USECO 102	Economic Theory (Micro Economics-I)	3

<p>Unit I : Theory of Firm:</p> <p>Concepts of revenue: Total Revenue, Average Revenue and Marginal Revenue – Relationship between TR, AR and MR under perfect and imperfect competition - AR, MR and elasticity. Objectives of a Firm–Analysis of Equilibrium of a firm: TC-TR Approach - MC-MR Approach – Break-Even Analysis</p>	15 Lectures
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<p>Unit III : Pricing Methods and Capital Budgeting:</p> <p>Pricing Methods: Marginal Cost Pricing - Full Cost Pricing - Multi product pricing – Limit Pricing: Bain's Model.</p> <p>Meaning and importance of Capital Budgeting: Methods of Capital Budgeting: Pay Back Period [PBP]- Net Present Value [NPV].</p>	15 Lectures

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(Singapore) Pvt. Ltd, Delhi.

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Scheme of Examination:

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Sr. No	Evaluation type	Marks
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3	Active participation in routine class instructional deliveries(case studies/ seminars//presentation)	05
4	Overall conduct as a responsible student, mannerism and articulation and exhibit of leadership qualities in organizing related academic actives	05

Guidelines about conduct of Assignments:

The assignment should be based on any of the sub-topics suggested for the course.

Topics for Assignments/Case study/Project:

F.Y.B.Sc Paper – I (SEMESTER - I)

USECO101	Economic Theory (Micro Economics-I)
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Concept and types of equilibrium-Equi-marginal utility-Elasticity of demand-Consumer's Surplus-Consumer's Equilibrium-production function-producer's equilibrium-Behaviour of short run and long run cost curves.

F.Y.B.Sc Paper – I (SEMESTER - II)

USECO102	Economic Theory (Micro Economics-I)
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Revenue curves under perfect and imperfect competition- Revenue and elasticity- Break-Even Analysis- Perfect Competition- Monopoly- Monopolistic Competition-Oligopoly- Pricing Methods- Methods of Capital Budgeting

Assignments can be any of the following types:

- 1) Visit/s to a Financial Institute/ BSE/NSE/RBI/SEBI etc.
- 2) Book review
- 3) Preparation of charts/posters/ exhibition/class presentation/experimental work, Short Quiz; Objective test, lab practical, open book test /exhibition/ Field visit etc.
- 4) Conduct a workshop for a small group
- 5) Interview experts/professionals in the field of Manufacturing/ Banking & Services.

(B) External Theory examination: 60 Marks (60%)

Question Paper Pattern Semester End Examination

Max. Marks: 60

Time: 2 hours

- Note:
1. All questions are **COMPULSORY**
 2. Each question carries 15 marks.
 3. Draw neat diagrams wherever necessary

Q.1. Answer the following:

- | | | |
|---|-----------------|-----|
| A | (From Unit-I) | (5) |
| B | (From Unit-II) | (5) |
| C | (From Unit-III) | (5) |

Q.2. Answer the following: (From Unit-I)

- | | | |
|---|-----------|-----|
| A | | (8) |
| B | | (7) |
| | OR | |
| B | | (7) |

Q.3. Answer the following: (From Unit-II)

- | | | |
|---|-----------|-----|
| A | | (8) |
| B | | (7) |
| | OR | |
| B | | (7) |

Q.4. Answer the following: (From Unit-III)

- | | | |
|---|-----------|-----|
| A | | (8) |
| B | | (7) |
| | OR | |
| B | | (7) |