

MANGALORE UNIVERSITY

CORRESPONDENCE COURSE

I YEAR B.A. - ECONOMICS

Paper : Economic Theory: Micro & Macro

UNIT - A

Module: 1 Nature and Problems of Economics.

Economics: Definitions of Economics - Basic Problems in Economics.

Micro Economics - Meaning, scope, uses and limitations.

Macro Economics - Meaning, scope, uses and limitations.

Module: 2 Theory of Consumer Behaviour.

Concept of Utility - Cardinal and ordinal.

Law of Diminishing marginal utility - Law of equi-marginal utility - Consumer's surplus.

Demand - meaning and determinants - Law of demand and exceptions to the law of demand.

Elasticity of Demand - Price elasticity of Demand - degrees and measurement of Price elasticity of Demand.

The indifference curve analysis - meaning and properties. Consumer's equilibrium.

UNIT - B

Module: 3 Theory of Production.

Factors of Production - Law of variable proportions.

Supply - meaning, law of supply, elasticity of supply.

Cost of Production - meaning, short run and long run cost.

Revenue - Concepts of revenue - Relationship between AR and MR under perfect and imperfect competition

Module: 4 Theory of Product Pricing.

Market Forms - Perfect competition, Features - equilibrium of the firm and industry under perfect competition.

Monopoly - Features, price and output determination - Concept of price discrimination.

Monopolistic Competition - Features - equilibrium of the firm and group.

UNIT - C

Module: 5 Theory of Factor Pricing.

Rent - Ricardian theory of rent - quasi-rent.

Wage - Marginal productivity theory of wages.

Interest - Loanable fund theory of Interest - Liquidity preference theory of Interest.

Profit - Risk theory, uncertainty - bearing theory and Innovation theory of Profit.

UNIT - D

Module: 5 National Income.

Definition and Concepts - Methods of measurement - difficulties.

Income inequalities - causes, consequences and remedies of income inequalities.

Module: 7 Theories of Employment.

Classical theory of Employment - Say's Law of Market - implications - criticisms.

Keynesian Theory of Employment - Effective demand.

Concepts of consumption function and Investment function.

References:

1. Agarwal A.S., Principles of Economics.
2. Ahuja A.L., Advanced Economic Theory.
3. Dewett and Verma, Modern Economic Theory.
4. Jinghan M.L., Microeconomic Theory.
5. Jinghan M.L., Macroeconomic Theory.
6. Koutsoyiannis A. (1990), Modern Micro-economics, MacMillan.
7. McConnell and Gupta, Economics, Vol.I (Recent edition).
8. Mithani D.M. (1981), Macroeconomic Analysis and Policy, Oxford & IBH, New Delhi.
9. Puri and Mishra, Indian Economy (latest edition).
10. Samuelson P.A. and W.D. Nordhaws (1998), Economics, Tata McGraw Hill, New Delhi.
11. Seth M.L., Microeconomics (Recent edition).
12. Seth M.L., Macroeconomics (Recent edition).
13. Stonier A.W. and D.C. Hague (1972), A Textbook of Economic Theory, ELBS & Longman Group, London.
14. Watson D.H., Price Theory.
15. Shankaran, Economic Theory.