



Integral University, Lucknow

Effective from Session: 2025-26

Course Code	A080101T/HE107	Title of the Course	Principles of Microeconomics	L	T	P	C
Year	I st	Semester	II nd	6	0	0	6
Pre-Requisite	Intermediate	Co-requisite	None				
Course Objectives	This Paper is designed to provide a sound knowledge of macro-economic theory. The goal of this course is to provide students with a thorough understanding of the fundamental principles of macroeconomics that establish a functional relationship between large aggregates. This course looks at the determination of income and employment, consumption function, theories of investment, multiplier, and accelerator.						

Course Outcomes	
CO1	The students are familiarized with basic concepts of microeconomics such as laws of demand and supply and elasticity etc. so that he/she can comprehend them & familiarize with day today happenings.
CO2	The students learn and understand the concepts of consumer behaviour like cardinal utility and ordinal utility analysis.
CO3	The students learn and understand application of Indifference curve analysis in deriving demand curves, price effect, income effect and substitution effect.
CO4	The students learn and understand the Theory of production- iso-quants, laws of returns to scale, law of variable proportion. The students learn, understand and compare between the Traditional and modern theory of cost.
CO5	Demonstrate an understanding, usage and application of basic economic principles.
CO6	Describe and apply the methods for analyzing consumer behaviour through demand and supply, elasticity and marginal utility.
CO7	To analyze the behavioural patterns of different economic agents regarding profit, price, cost etc. The decision-making process in different market situations such as perfect competition, monopolistic competition, monopoly and oligopoly markets.
CO8	To deal with the advance theoretical issues and their practical applications of distribution theories, General equilibrium, economic efficiency and market failure.

Unit No.	Content of Unit		Contact Hrs.	Mapped CO
1	Introduction	Nature and Scope of Economics; Problem of scarcity and choice: scarcity, choice and opportunity cost; production possibility frontier; economic systems. Law of demand, law of supply, market equilibrium. Applications of demand and supply: price rationing, price floors, consumer surplus, producer surplus. Elasticity: Price, income and cross elasticities and their measurement.	12	CO1
2	Consumer Theory	Budget constraint, concept of utility, diminishing marginal utility, Diamond-water paradox, income and substitution effects; consumer choice: indifference curves, derivation of demand curve from indifference curve and budget constraint. Theory of Revealed Preference	12	CO2
3	Production and Costs	Production functions, law of variable proportions, returns to scale, choice of technology, isoquant and iso-cost lines, cost minimizing equilibrium condition. Costs: costs in the short run, costs in the long run, revenue and profit maximizations, minimizing losses, short run industry supply curve, economies and diseconomies of scale, long run adjustments.	11	CO3
4	Market Structures	Perfect Competition: a. Assumptions: theory of a firm under perfect competition, demand and revenue; equilibrium of the firm in the short run and long run; long run industry supply curve: increasing, decreasing and constant cost industries. Welfare: allocative efficiency under perfect competition. Imperfect Competition: Monopolistic competition: Assumptions, SR & LR price and output determinations under monopolistic competition, economic efficiency and resource allocation; oligopoly: assumptions, oligopoly models, game theory, contestable markets, role of government.	11	CO4
5	Theory of a Monopoly Firm	Concept of a supply curve under monopoly; comparison of perfect competition and monopoly, social cost of monopoly, price discrimination; remedies for monopoly: Antitrust laws, natural monopoly. Degree of Monopoly power.	11	CO5
6	Consumer and Producer Theory	a. Consumer and Producer Theory in Action Externalities, marginal cost pricing, internalizing externalities, public goods; imperfect information: adverse selection, moral hazard, social choice, government inefficiency. b. Markets and Market Failure Market adjustment to changes in demand, efficiency of perfect competition; sources of market failure: imperfect markets, public goods, externalities, imperfect information; evaluating the market mechanism.	11	CO6
7	Income Distribution and Factor pricing	Input markets: demand for inputs; labour markets, land markets, profit maximization condition in input markets, input demand curves, distribution of Income.	11	CO7
8	Welfare Economics	Concept & Definition of Welfare Economics. Normative & Positive Economics. Concepts of Social Welfare. Role of Value Judgment in Welfare Economics, Individual & Social Welfare. Pareto Optimality, Conditions of Pareto Optimality. New Welfare Economics: Kaldor-Hicks Welfare Criterion. Scitovsky Paradox & Scitovsky's Double Criterion. Grand Utility Possibility Frontier. Social Welfare Function..	11	CO8

Reference Books:

1. Koutsiyannis, A, Modern Microeconomics, Macmillan Publishers, London.
2. Baumol, W.J, Economic Theory & Operation Analysis, Prentice-Hall of India, New Delhi
3. Varian, H, Microeconomics Analysis, Viva Books, New Delhi.

4.	Production, Price & Distribution, Tata McGraw Hill, New Delhi. Barthwal, R.R, Microeconomic Analysis, New Age, New Delhi.
5.	Ahuja, H.L (2013): Advanced Economic Theory”, S. Chand & Company. Shastri, Rahul. A (1999): Microeconomics”, Orient Blackswan.
6.	Dwivedi, D.N (2011): Microeconomics-Theory & Applications”, Pearson.
7.	Lipsey, Richard & Chrystal, Alec (2011) : Economics”, Oxford University Press Publications, New Delhi.
8.	Pindyck, Robert. S., Rubinfeld. Daniel. L., Mehta. Prem. L (2009): Microeconomics”, Pear son.
9.	Salvatore, Dominic (2010) : Principles of Microeconomics”, Oxford University Press Publications, New Delhi.
10.	Samuelson, Paul. A& Nordhaus, William. D (2010): Economics”, Tata McGraw Hill.
E-Learning Source:	
https://swayam.gov.in/ http://www.ignouhelp.in/ignou-study-material/	

	Course Articulation Matrix: (Mapping of COs with POs and PSOs)									
PO-PSO CO	PO1	PO2	PO3	PO4	PO5	PSO1	PSO2	PSO3	PSO4	PSO5
CO1	3	3	3	2	3	3	2	3	2	2
CO2	2	3	2	2	2	3	3	2	1	3
CO3	1	3	2	1	1	3	3	3	2	3
CO4	3	2	1	1	1	3	3	1	2	2
CO5	2	3	2	1	1	3	3	3	3	3
CO6	2	3	2	1	3	3	3	3	3	3
CO7	3	3	2	1	2	3	3	3	3	3
CO8	2	3	2	1	2	3	3	2	2	3

1- Low Correlation; 2- Moderate Correlation; 3- Substantial Correlation

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