



HIMACHAL PRADESH NATIONAL LAW UNIVERSITY

SHIMLA

**SEMESTER- I**

**B.A. /B.B.A. LL.B. (Hons.)**

**COURSE CODE: LLB\_\_\_\_\_**

**ECONOMICS-I (Micro Economics)**

**CREDIT: 04**

**Module-1**

**Introduction to Economics and Theory of Consumer Behaviour**

- 1.1 Meaning, Nature and Scope of Economics, Basic concepts of Economics: Role of Assumptions, Opportunity Cost and Production Possibility Curve
- 1.2 Basic economics Problems and Economic organization – market, command and mixed economy, Relation between Economics and Law: Economic Offences and Economic Legislations
- 1.3 Utility analysis- Cardinal approach: Law of Diminishing Marginal Utility and Law of Equi-Marginal Utility, Consumer's Equilibrium using Utility Analysis
- 1.4 Ordinal approach: Indifference curve analysis, Budget Line and Budget Set, Consumer's equilibrium.
- 1.5 Price Effect, Income Effect, Substitution Effect, Consumer's Surplus

**Module-2**

**Theory of Demand and Supply**

- 2.1 Demand for a product, Individual demand, market demand, Determinants of demand, Movement along the demand curve and shift in demand curve.
- 2.2 Elasticity of demand- Price, Income and Cross elasticity of demand and its determinants, Importance of elasticity demand.
- 2.3 Supply of a product, Market Supply, Determinants of supply, Movement along the Supply curve and shift in Supply Curve,
- 2.4 Elasticity of Supply: Measurement and Factors affecting Elasticity of Supply

**Module-3**

**Theory of Production and Costs**

- 3.1 Production function: Short run and Long Run, Law of variable proportions
- 3.2 Iso-quants and Iso Cost Line, Optimum factor combination: Least Cost Combination and Maximisation of Output, Expansion path, Returns to scale.
- 3.3 Theory of cost in short run and long run, Economies of Scale and Diseconomies of Scale
- 3.4 Revenue function: Total Revenue, Average Revenue and Marginal Revenue

3.5 Producer's Equilibrium in terms of Marginal Cost and Marginal Revenue and Total Cost and Total Revenue

**Module-4**  
**Market Structure and Factor Pricing**

- 4.1 Concept of Market Equilibrium, Price Ceiling and Price Floor, Classification of Markets: Pure and Perfect Competitions
- 4.2 Monopolistic Competition, Monopoly, Price discrimination and Dumping
- 4.3 Oligopoly and Duopoly, Kinked demand curve, Cartels, Price Leadership, Monopsony
- 4.4 Factor pricing: Marginal Productivity and Modern Theory of Distribution, Ricardian and Modern Theory of Rent, Quasi Rent
- 4.5 Classical, Loanable Funds and Keynes Theory of Interest, Risk, Uncertainty and Innovation Theories of Profit.

**(A) Prescribed Books:**

- 1. Dwivedi, D.N.; *Principles of Economics*, (Vikas Publishing, 2016)
- 2. Verma, K.N.; *Micro Economic Theory* (Vishal Publishing, 2016)
- 3. Ahuja, H.L.; *Advanced Economic Theory*, (S. Chand & Company, 2016)

**(B) Reference Books: -**

- 1. Koutsoyiannis, A.; *Modern Microeconomics* (Macmillan Press, 2014)
- 2. Stonier, A.W.; and D.C. Hague, *A Textbook of Economic Theory* (ELBS & Longman Group)
- 3. Samuelson, P.A.; and W.D. Nordhaus, *Economics* (Tata Mac Graw-Hill Publishing Company Limited, 2004)
- 4. Seth, M.L.; *Principles of Economics* (Lakshmi Narain Agarwal Educational Publishers, 2001)
- 5. Case, Karl E. and Ray C. Fair, *Principles of Economics*, (Pearson, 2013)
- 6. Mankiw, N. Gregory, *Economics: Principles and Applications* (India edition by South Western, a part of Cengage Learning, Cengage Learning India Private Limited, 1<sup>st</sup> Indian Reprint, 2016)

  
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