

**UNIVERSITY OF DELHI**  
**DELHI SCHOOL OF ECONOMICS**  
**DEPARTMENT OF ECONOMICS**

**Minutes of the Meeting**

**Subject: Bachelor of Arts (Programme)**

**Course: PGE51 Principles of Microeconomics**

**Date of Meeting: July 19,2021**

**Venue: Online**

**Chair: Prof. Uday Bhanu Sinha**

A meeting of the UG Course Committee was held on 19/07/2021. The meeting was attended by

1. Deepika Kandpal, PGDAV College (Morning)
2. Srishty Kasana, PGDAV College (Morning)
3. Loveleen Gupta, Bharati College
4. Henna Sikka, Delhi College of Arts and Commerce
5. Parul Jain, Sri Aurobindo College (Morning)
6. Pooja Sharma , Daulat Ram College
7. Mr. Lalit Rajput - Vivekananda college
8. Pragya Shankar, Ram Lal Anand College
9. Jai Ram Meena, Shaheed Bhagat Singh College
10. Dr. Gunjan Agarwal, Lakshmibai College
11. Dr. Supriti Mishra, Shyam Lal College
12. Dr.Renu Sinha, Satyawati college (Morning)
13. Ms. Hema Nagpal Sri Aurobindo College ( Morning )
14. Pallavi Manchanda, SPM COLLEGE,
15. Dr.Saraswati, from ARSD college
16. Dr.Renu Sinha, Satyawati college (Morning)
17. Swaran Lata Meena, ARSD College
18. Shikha Solanki, Shaheed Bhagat Singh Evening College
19. Dr Renu Kumari Verma, Motilal Nehru College Evening
20. Dr. Supriti Mishra, Shyam Lal College
21. Yogita Yadav, Sri Venkateswara College

It was decided to follow Mankiw 's book as the primary text for this course.

**Reference:**

*Mankiw, N.; Principles of Economics, 6<sup>th</sup> ed., Cengage Learning*

**Unit 1 Introduction**

Problem of scarcity and choice: scarcity, choice and opportunity cost; production possibility frontier; economic systems.

Demand and supply: law of demand, determinants of demand, shifts of demand versus movements along a demand curve, market demand, law of supply, determinants of supply, shifts of supply versus movements along a supply curve, market supply, market equilibrium.

Applications of demand and supply: price rationing, price floors, consumer surplus, producer surplus.

Elasticity: price elasticity of demand, calculating elasticity, determinants of price elasticity, other elasticities

*Reference: Chapter 1,2,4,5,6,7*

### **Unit 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.

*Reference: Chapter 21*

### **Unit 3 Production and Costs**

Production: behaviour of profit maximising firms, production process, production functions, law of variable proportions, choice of technology, isoquant and isocost lines, cost minimising equilibrium condition.

Costs: costs in the short run, costs in the long run, revenue and profit maximisation, minimising losses, short run industry supply curve, economies and diseconomies of scale, long run adjustments.

*Reference: Chapter 13*

### **Unit 4 Perfect Competition**

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.

*Reference: Chapter 14*