

# Principles of Economics



Faculty	Course Type	Credits	Prerequisites	Semester
<a href="#">Ms. Sudha Krishnamurthy</a>	Major / Minor	4	Major / Minor	III

## Brief Overview

At SSLA, this is the first course that undergraduates take in the Economics major. The course deals with fundamentals of microeconomics and some basic macroeconomic principles.

This course begins with an introduction to supply, demand and the basic forces that determine equilibrium in a market economy. Next, it introduces frameworks for learning about consumer behaviour and analyzing consumer decisions. Further on, we study firms and their decisions about optimal production, the impact of different market structures on firms' behaviour, implications of uncertainty for consumer decisions.

By the end of the course, students will be able to understand introductory microeconomic theory, solve basic microeconomic problems, and use these techniques to think about a number of policy questions relevant to the operation of the real economy.

## Course Objectives

Students in this course will be able to –

- Understand consumer behaviour.
- Understand firm behaviour.
- Analyze different types of market structures (monopoly, oligopoly and a competitive market).
- Evaluate views and opinions related to economics and develop their own perspectives based on sound reasoning.

- Use supply and demand diagrams to analyze the impact of overall changes in supply and demand on price and quantity.
- Solve a consumer's utility maximization problem mathematically and graphically; analyze the impact of changes in price and income on a consumer's decision via shifting income and substitution effects.
- Understand the consumer's labour supply decision.
- Solve a firm's cost minimization problem mathematically and graphically.
- Analyze the behaviour of firms in a monopoly or oligopoly, and calculate the resulting changes in producer or consumer surplus.
- Understand consumer behaviour under uncertainty.

### **Teaching Methodology**

The course is conducted mostly through interaction based lecture method, with regular class leads by the students, short research assignments, case studies, etc.

### **Requirements**

Students are expected to –

- Complete all required reading for each scheduled class as per the course outline,
- Actively participate in class activities and discussions, and
- Complete all evaluative processes for successful course completion!