

<b>Course title: Principles of Economics</b>				
<b>Course code: MPD 143</b>		<b>No. of credits: 3</b>	<b>L-T-P: 34-8-0</b>	<b>Learning hours: 42</b>
<b>Pre-requisite course code and title (if any): NA</b>				
<b>Department:</b> Department of Policy Studies				
<b>Course coordinator(s):</b> Dr Gopal K Sarangi			<b>Course instructor(s):</b> Dr Gopal K Sarangi	
<b>Contact details:</b> gopal.sarangi@terisas.ac.in				
<b>Course type:</b> Core			<b>Course offered in:</b> Semester 1	
<b>Course description</b> This introductory course in the principles of economics primarily covers microeconomics and macroeconomics. The goal of this course is to develop your critical thinking and analytical abilities as well as to understand economic principles and how they relate to the world we live in. Modern economics is the study of how households, individuals, firms, governments, and other types of human society choose to allocate and manage resources in a world of scarcity. The central focus of this course is how and why markets (one important mechanism for allocating scarce resources) work, why they may fail to work, and the implications for social policy of both their successes and failures. The last module introduces students to the differences between economic growth and development, highlighting that there is no single cause for economic progress, but that a combination of factors--among them the improvement of physical and human capital, the reduction of inequality, and institutions that enable the background flow of information essential to market performance--consistently favor development.				
<b>Course objectives-</b>				
<ul style="list-style-type: none"> <li>- To develop students critical thinking and analytical abilities as well as to understand economic principles and how they relate to the world we live in.</li> <li>- To make students understand how and why markets (one important mechanism for allocating scarce resources) work, why they may fail to work, and the implications for social policy of both their successes and failures.</li> <li>- To introduce students to the difference between economic growth and development, highlighting that there is no single cause for economic progress, but that a combination of factors--among them the improvement of physical and human capital, the reduction of inequality, and institutions that enable the backg</li> </ul>				
<b>Course content</b>				
<b>Module</b>	<b>Topic</b>	<b>L</b>	<b>T</b>	<b>P</b>
1.	<b>Micro-economics:</b> <ul style="list-style-type: none"> <li>- Theory of Consumer Behaviour</li> <li>- Production and Costs</li> <li>- The Theory of Firm Behaviour under Perfect Competition</li> </ul>	14	3	
2.	<b>Macroeconomics:</b> <ul style="list-style-type: none"> <li>- National Income Accounting</li> <li>- Money and Banking</li> <li>- Income Determination</li> <li>- Open Economy Macroeconomics</li> </ul>	14	3	
3.	<b>Development Economics</b> <ul style="list-style-type: none"> <li>- Economic Growth and Development</li> <li>- Income and Poverty</li> <li>- Public Economics and the Government</li> <li>- Human Development and HDI</li> </ul>	6	2	
<b>Evaluation criteria:</b> Two Minor Exams: 20% each Assignment: 20% Major Exam: 30% Class participation: 10%				
<b>Learning outcomes</b> By the end of the course, students would be able to; <ul style="list-style-type: none"> <li>- Understand the key micro and macroeconomic principles</li> <li>- Relate the key economic principles to real life situations, especially in the context of development challenges that we face today.</li> <li>- Understand the role of markets and its relation to social policy</li> </ul>				
<b>Pedagogical approach</b> The course will be delivered through a mix of classroom lectures and case studies discussion.				

**Course Reading Materials****Suggested Readings:**

Stiglitz, J.E. and C.E. Walsh. 2002. Principles of Economics, 3rd Edition. New York: W.W. Norton & Company.  
Mankiw, N. Gregory. 2006. Principles of Economics, 4th edition. South-Western College Pub. Additional Readings:  
Karl Case, Ray Fair, and Sharon Oster, Principles of Economics. 7th Edition  
R. Dornbusch, S. Fischer, and R. Startz, 2012. Macro Economics, 10<sup>th</sup> Edition, Tata-McGRAW-HILL

**Additional reading**

Partha Dasgupta, Economics: A Very Short Introduction;  
Paul Seabright, The Company of Strangers;  
Milton Friedman and Rose Director Friedman, Free to Choose;  
Adam Smith, An Inquiry into the Nature and Causes of the Wealth of Nations.  
Ray, D. 1998. Development Economics. Princeton, NJ: Princeton University Press

**Advanced Reading Material**

Intermediate Microeconomics: A Modern Approach, 2010. by H L Varian, 8<sup>th</sup> Edition  
Macro-Economics: Theory and Policy, 2005, W.H. Branson, Third Edition

**Additional information****Student responsibilities**

Attendance: At-least 75% attendance will be necessary to be able to appear for the final exam

**Course reviewers:**

1. Dr Kaushik Deb, Senior VP, IDFC
2. Dr Seema Bathla, Associate Professor, JNU
3. Dr Saon Ray, ICRIER