

# **MICROECONOMICS AND MACROECONOMICS**

**Paper Code: BCMMDC401T**

**[OFFERED BY THE UG BOS OF COMMERCE FOR THE STUDENTS FROM OTHER STREAMS]**

**W.E.F. ACADEMIC SESSION 2023-24**

**Full Marks: 50**

**[Internal assessment- Marks; Semester-end Examination- Marks]**

**Total Credits:3 [45 Hours]**

**TOTAL CLASS HOURS: 45 [LECTURE HOURS 30 & TUTORIAL HOURS 15]**

**[Internal assessment – 50 Marks; Semester-end Examination – 50 Marks]**

## **Unit-1: Consumer Behaviour**

**(06L)**

Utility: concept and measurements; Indifference curve approach; Budget line; Consumers equilibrium; Income consumption curve; Price consumption curve; Derivation of demand curve for a commodity(normal, inferior, giffen); Price effect, Income effect and substitution effect.

## **Unit-2: Demand and Supply**

**(06L)**

Law of demand and supply; Determinants of demand and supply; Movements vs. shift in demand and supply curve; Exceptions to the law of demand; Market equilibrium; Elasticity of demand and supply: Point, Arc, Income & Cross price elasticity of demand; Classification of goods(normal, inferior, giffen).

## **Unit-3: Production and Cost**

**(06L)**

(a) Production: Production function; Properties of Homogeneous production function; Law of variable proportion; Isoquant: Definition and Properties, Return to scale.  
(b) Cost: Short run and long run cost curves; Isocost; Determination of optimal combination of inputs.

## **Unit-4: Market**

**(12L)**

(a) Perfect Competition: Assumptions; Demand and Revenue, Equilibrium of the firm in the short and long run; Supply curve.  
(b) Monopoly: Assumptions; Short and long run equilibrium, concept of supply curve under monopoly; Dead-weight loss in monopoly; Price discrimination  
(b) Imperfect Competition: Monopolistic Competition, Duopoly and Oligopoly – Assumptions and characteristics; Short and long run equilibrium condition.

## **Unit-5: National Income**

**(06L)**

National income accounting; Concepts of GDP, GNP, NNP, NDP, Real and Nominal National Income, Circular flow of income; WPI and CPI; Measurement of national income, National income and economic development.

## **Unit-6: Money Inflation & Banking**

**(09L)**

Concept of demand for and supply of money- Quantity theory of money and Keynesian theory of demand for money; Liquidity trap; Measures of money supply; High powered money: Concept of Inflation; Demand- pull and cost push inflation; Monetary and fiscal policies to control inflation; Functions of commercial and central banks; Credit creation by commercial banks.

## **Suggested Readings**

- Gould & Ferguson, *Micro economic Theory*
- Banerjee & Majumdar, *banijjikArthaniti-o- Banijjikparibesh( Bengali)*

- *Dwivedi, D.N., Managerial economics, Vikash Publication*
- *Mankiw. N.G., principles of macroeconomics, cengage*
- *Pindyck and Rubinfeld, Microeconomics, Pearson Education*
- *Damodaran. S., Managerial Economics, Oxford*
- *Ahuja. H.L., Business Economics, S Chand and Company*
- *Ahuja. H.L., Macroeconomics, S Chand and Company*

**\*L = 1 Lecture Hour**

**\*\* Includes Tutorial Hours**

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