

Course Code. :	HS 213001
Course Title :	Introduction to Economics
Credits:	L T P C 3 0 0 4
Prerequisites (if any)	Intermediate in any discipline with analytic bend of mind is required to take up this paper. 12 th standard mathematical knowledge will also be helpful for the successful completion of this paper.
Course Coordinators	Dr.Pravin Jadhav

Course description and contents:

The purpose of Introduction to Economic course is to introduce the engineering student to the discipline of economics to impart the knowledge of economics as a subject and its importance while business in the field of engineering. Now –a-days, the business decisions are made scientifically on the basis of all available information. So understanding and interpreting basic economic concepts/variables for e.g. demand and supply functions, forecasting demand, productions, costs, will make them aware of various operations carried in business.

After imparting knowledge of these concepts they would be better equipped to understand various market structures, understanding of different pricing techniques that will be introduced in the class. These concepts will help them to understand day to day business decisions being taking by different firms (in different industries) in lieu of consumer behaviour in economic, social and to an extent in ethical manner.

The second part of course examines different macroeconomic factors e.g. GDP, Inflation, Unemployment, Exchange rate and review how government policies influence macroeconomic outcome and performance of business. The last part of the course examines the time value of money and how engineers use the time value of money to make important economic decisions. In this section, we examine how interest rates and different compounding periods influence the future value of various capital investments

Evaluation scheme for the course

Assignments – 5%

Class tests/ Quizzes – 10%

Projects - 10%

Mid semester examination – 25%

End semester examination – 50%

Lecture #	Prospective contents
1	<p>Introduction to Economics Introduction to Economics and definition of economics, Branches of Economics, Meaning of Managerial Economics, Nature, and Scope & Objective of Managerial Economics.</p>
2	<p>Demand and Supply Analysis The demand & Supply Schedule, Demand function and Supply function, Law of Demand & Supply , Determinants of Demand & Supply, Demand and supply curve shift, Equilibrium with supply and demand curve. Effects of a shift in Supply or Demand, Interpreting Changes in Price & Quantity, Types of Elasticity of Demand & Supply, Measurement of Elasticity</p>
3	<p>Theory of Production & Cost Basic Concept of production, The Production function, Factors of Production Total, Average & Marginal product, Short & Long Run production Function, Law of Variable proportion, Law of Return to Scale, Law of diminishing Marginal product, Concept of cost, Total ,Marginal & Average Cost, Short Run & Long Run Cost, Relation Ship Between Marginal & Average cost</p>
4	<p>Market Structures Market Structure –I Perfect Competition, Price & output Determination under perfect Competitive Market, Short Run & Long Run Equilibrium, Market Structure-II Monopoly, Definition of Imperfect Competition, Basic Concept of Monopoly, Short & Long run equilibrium Under Monopoly. Market Structure III Monopolistic Competition, Concept of Monopolistic Competition, Features of Monopolistic Competition, Market Structure –IV Oligopoly, Concept of Oligopoly Market, Features of Oligopoly</p>
5	<p>Measuring National Output and National Income Structure of Macro Economy, Different sectors of the economy, Circular Flow of Income & Product, Leakages & Injections in the Circular Flow, Concepts relating to National Income and related Aggregates, Methods of calculation of National Income, GDP deflator, CPI and WPI and its impact on business.</p>
6	<p>Unemployment and Inflation Types and causes of unemployment, Measures to solve unemployment problem, Inflation, Meaning and types, Explanation of Inflation- demand pull inflation & cost</p>

	push inflation, Effects of Inflation on distribution of income & wealth and on output & growth, Methods to control Inflation
7	<p>The Balance of Payments and Exchange Rates</p> <p>Balance of Payments, Meaning and Components, Difference between BOP & BOT, Causes of disequilibrium in BOP, Measures to correct disequilibrium in BOP, Exchange Rate Determination, Meaning of Foreign Exchange Rate, Types of Exchange Rate- Fixed & Flexible Exchange Rate System, Purchasing Power Parity Theory</p>
8	<p>Time Value of Money and Economic Equivalence</p> <p>Cost- benefit analysis , Project Cash Flows, Initial Project Screening Methods: payback Screening and Discounted Cash Flow Analysis, Variations of Present-Worth Analysis</p>

Readings

1. Paul A Samuelson and William D Nordhaus (2013), Economics. McGraw Hill
2. Macroeconomics: Dornbusch, Fischer, and Startz (Ninth Edition), 2004. Tata McGraw-Hill
3. Macroeconomics: Olivier Blanchard (Fourth Edition), 2007. Pearson Education
4. Romer D., 1996, Advanced Macroeconomics, McGraw-Hill International

REFERENCE BOOKS:

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|---------------------------|--------------------|--------------|
| 5. Managerial Economics | Peterson and Lewis | Pearson |
| 6. Managerial Economics | H L Ahuja | Sultan Chand |
| 7. Managerial Economics | P L Mehta | Sultan Chand |
| 8. Economics for Managers | Hirschey | Thomson |
| 9. Managerial Economics | Atmanand | Excel Books |