ANDHRA KESARI UNIVERSITY

with effect from Academic Year 2023-24

MINOR

ECONOMICS

Program Objective: This program is to impart the basic knowledge and skills among the students in the field of economics as minor subjects

Program Outcomes:

PO 1: Learn basic concepts, principles and theories in economics
PO 2: Analyse issues in current economy at different levels
PO 3: Acquire employability and research skills in the field of economics

PAPER TITLES FOR ECONOMICS MINOR

Sem	Paper	Minor	Credits	Hours
II	1	Microeconomics	4	4

1. MICROECONOMICS

Course Objective: This course is to learn about basic concepts, principles and theories in Microeconomic to understand the economic behavior of an individual person and firm.

Course Learning Outcomes:

After studying this course, the student shall be able to achieve the following outcomes:

CO1: Explain what is an economy, economics and differentiate between micro and macro economics

CO2: Analyses the demand of a product and estimate elasticity

CO3: Estimate production function and understand its application

CO4: Analyze functioning of different markets and their differentiations

CO5: Examine the determination of rent, wage, interest and profit

Unit–1: Introduction to Economics
- Economic Activities and Economic System; Definition, Scope and Importance of Economics
- Fundamental problems of economics: Scarcity and Choice, Production Possibilities Curve
- Meaning and Scope of Microeconomics; Differences between Micro and Macro Economics
- Principles of Microeconomics: Equilibrium, Optimization, Welfare ; Methodology in Economics : Positive and Normative

Unit -2: Demand and Consumption
- Demand: Meaning, Types and Factors; Law of Demand
- Elasticity of Demand: Meaning, Price, Income and Cross Elasticities
- Utility: Meaning, Types, Importance; Marginal Rate of Substitution (MRS), DMRS
- Indifference Curves (IC): Concept, Properties; Budget Line; Consumer Equilibrium under IC

Unit -3: Production and Supply
- Firm: Concept and Objectives; Production and Factors of Production; Concepts of Production, Cost and Revenue: Total, Average, Marginal
- Production Function: Meaning and Types; Cobb- Douglas Production Function
- Law of Variable Proportions; Laws of Returns to Scale
- Supply: Meaning, Factors, Law of Supply, Elasticity of Supply

Unit-4: Markets

- Market: Concept and Classification; Perfect Competition: Characteristics, Equilibrium of Firm and Industry
- Monopoly: Characteristics, Equilibrium, Price Discrimination
- Monopolistic Competition: Characteristics, Equilibrium, Selling Costs
- Oligopoly: Characteristics, Types, Kinked Demand Curve Model

Unit - 5: Distribution
- Distribution: Meaning, types and importance
- Rent: Ricardian Theory of Rent, Marshallian Quasi Rent
- Theories of Wage: Subsistence Theory, Modern Theory
- Theories of Interest: Classical Theory, Loanable Funds Theory
- Theories of Profit: Risk and Uncertainty Theory, Innovations Theory

References:

1. Microeconomic Analysis, Bilingual Textbook, APSCHE
2. H. L. Ahuja, Advanced Economic Theory, S. Chand, 2004
3. A. Koutsoyiannis, Modern Microeconomics – Macmillan, London.
4. P. N. Chopra, Principles of Economics, Kalyani Publishers, Ludhiana, 2018.
5. Telugu Academy Publications on Microeconomics
6. Microeconomics, Dr. Br. Ambedkar Open University Material
7. Microeconomics, IGNOU Material

Suggested Activities:

Unit-1: Group discussion on Identifying Surrounding Economic Activities

Unit-2: Project on Demand Analysis of any Good/Services and make presentation

Unit-3: Assignment on any production function or concepts of production

Unit-4: Field visit to any market and submission of a report

Unit-5: Seminar on distribution theories

B.A. DEGREE EXAMINATION, November/December-2023.

Second Semester - Minor

Part II — Economics

Paper I-Micro Economics

Time: 3 hours   Maximum Marks: 75

SECTION –A (25 marks)

Answer ALL the questions.

I) Multiple Choices.   (5×1=5 Marks)

1) Wealth definition is given by   (   )
   A) Alfred Marshall   B) Adam Smith
   C) David Ricardo   D) Robbins

2. Marginal Utility means   (   )
   A) Loss of Utility   B) Equal Utility
   C) Additional Utility   D) No Utility

3. Factors of Production are   (   )
   A) Land, Labor   B) Labor, Capital
   C) Capital, Organization   D) All of the Above

4. Monopoly   means there exists only   (   )
   A) Many Sellers   B) Two Sellers
   C) Three Sellers   D) One seller

5. Quasi Rent Theory explained by   (   )
   A) J B Say   B) David Ricardo
   C) Alfred Marshall   D) Schumpeter

II) Write True or False   (5×1=5 Marks))

6. Study of individual persons/firms/goods is called as Micro Economics (True/False)
7. If the quantity demanded of a commodity is more than the quantity changed in the price of that commodity is called as Relatively inelastic Demand (True or False)
8. Law of Variable Proportions theory is belongs to long term period (True or False)
9. Selling Costs are mandatory in Monopolistic Competition market (True or False)
10. Innovations Theory of Profit explained by Schumpeter (True or False)

11. Match the following   (5×1=5 Marks)

(a) Scarcity Definition   (i) Law of Demand

(b) Welfare Definition   (ii) MC=MR
(c) Giffen Paradox   (iii) Marshall
(d) Oligopoly   (iv) Robbins
(f) Equilibrium of Firm   (v) Kinky Demand

IV) Answer any TWO of the Following questions in short notes   (2×5=10marks)

12. Meaning and Scope of Microeconomics
13. Write the Equation of the Law of Demand

14. Budget Line
15. Production Function
16. Price Discrimination

SECTION –B (50 marks)

Answer ALL the questions.   **(5 ×10 = 50 Marks)**

17. (A) Define and Distinguish between Micro and Macro Economics
   (OR)
   (B) Explain the Methodology in Economics of Positive and Normative

18. (A) What is the Law of Demand? Explain the Limitations to law of demand
   (OR)
   (B) Explain the Concept and Properties of Indifference Curves.

19. (A) Explain the Law of Variable Proportions with help of the diagram
   (OR)
   (B) Give a detailed description of Cobb- Douglas Production Function

20 (A) What is meant by Perfect Competition? Explain the Price determination under

   Perfect Competition
   (OR)
   (B) Explain the Price determination under Monopoly

21. (A) Explain the Marginal Theory of Distribution
   (OR)
   (B) Elucidate the Ricardian Theory of Rent

B.A. DEGREE EXAMINATION, November/December-2023.

(Regular)

First Year — Second Semester

Part II — Economics

Paper II-Mathematical Methods for Economics

Time: 3 hours   Maximum Marks: 75

SECTION –A (25 marks)

Answer ALL the questions.

III)   Multiple Choices.   (5×1=5 Marks)

1) Mathematical methods are used in Economics analysis is for   (   )
   B) Clear expression   B) Logical Expression
   C) Language expression   D) None

2. What is the percentage change when the PCI has increased from $2000 in 2015-16 to $2400 in 2022-23   (   )
   B) 10%   B) 15%
   C) 20%   D) 25%

3.   Quadratic Function is plotted as   (   )
   B)   Straight line   B) Parabola
   C) Rectangle Hyperbolic   D) None

4. Square matrix has   (   )
A) More number of rows than columns   B) More number of columns than rows
C) Equal number of rows and columns   D) None

5. Differentiation measures   (   )
   A) Marginal change   B) Average change
   C) Total change   D) None

IV) Write True or False   (5×1=5 Marks))

11. In Set theory, AUB means the elements x belongs either A or B (True/False)
12. The equation $Y = 10 – 3X$ is a Quadriatic function (True or False)
13. Interchange of rows and columns does not change the value of determinant in a matrix (True or False)
14. Second derivative is the derivative of the first derivative (True or False)
15. The derivative of $2x^3$ is 6x   (True or False)

11. Match the following   (5×1=5 Marks)

(a) Set		(i) Linear Solution
(b) Function		(ii) MC=MR
(c) Inverse Matrix		(iii) Elements
(d) Differentiation		(iv) Maximisation
(f) Optimisation		(v) Marginal Cost

IV) Answer any TWO of the Following questions in short notes   (2×5=10marks)
Answer any 5 questions from the following $5 \times 5 = 25$

12. Find out the Simple growth rate for India's GDP PCI figures at current prices Rs 1,50,007 in 2021-22 to Rs 1,70,620/- in 2022-23.

13. Brief Meaning and importance of function in economics

14. When A= $\begin{matrix} 1 & 2 \\ 3 & 4 \end{matrix}$ and B= $\begin{matrix} 0 & -1 \\ 6 & 7 \end{matrix}$ then find out A×B.

15. Find out marginal revenue (MR) from a function TR=15Q-Q^2.

16. Conditions of maxima and minima for a function

SECTION –B (50 marks)

Answer ALL the questions.   **(5 ×10 = 50 Marks)**

17. (a) Discuss the importance of Mathematics in Economic Analysis

OR

(b) What are different types of Sets. Find out the AUB and AΠB when A= {1,3,5,7,9} and B= {2,3,4,5,6}.

18. (a)Explain the linear, quadratic and Cubic functions with the help of equations and graphs.

OR

(b) Explain the Rectangle Hyperbola, Logarithmic and Exponential functions with the help of equations and graphs.

19. (a)What is inverse Matrix and explain its properties and its importance in economics.

OR

(b) Find out the solution for the following linear equation system through Cramers Rule

$5x_1+3x_2=30$ and $6x_1-2x_2=8$.

20. (a)What is differentiation and write its importance in economics with examples.

OR

(b) Find out the Marginal product and elasticity of demand for the equation Q=100-2P.

21. (a) What is the concept of optimization and explain its importance in economics with few examples .

OR

(b). Determine the optimal level of production for a monopolist whose
Demand function is $TQ = 100 – 2Q^2$ and his total cost function is $C = 50 + 40Q$.
Also, what is the maximum profit earned by the monopolist at that point