

### Course Plan

Course Title: <b>Fundamentals of Economics</b>	Course Code: 21LALH107
Programme: B.A. L.L.B	Semester: II
Credits: 4	L-T-P: 3-1-0
ISA Marks: 50	ESA Marks: 50
Course Teacher: Sarala Arun Vaidya	Date of Preparation: 21 February, 2022
Course Plan Reviewer:	Date of Review: 25th February, 2022

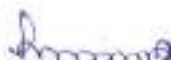
#### Course Objective

This course will provide the knowledge on fundamental economic concepts. The theories of consumer behavior will help students to identify the nature of consumer and its impact on markets. Students will be able to relate the operating mechanism of the production function with theories of production. Students can enumerate the need for estimation of National Income and its importance as an indicator for economic growth of a country. Students will be familiar with the functioning of the monetary system of a country and its role in effective functioning of an economic system. Students will be able to connect economics with law.

#### Course Outcomes (COs)

1. Students will define fundamental concepts of economics.
2. It will help students to identify economic vocabulary, methodologies, tools and analysis procedures.
3. Students can illustrate how consumption behaviour is determined by various factors.
4. Students will be able to comprehend the problems and challenges faced by different economic systems and explain the same.
5. Students will explain the importance of cost in determination of production function.

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6. To understand the theoretical concepts of the market and apply them in classifying the market structure and its functioning.
7. Students will be able to demonstrate how different pricing strategies are adopted by firms to establish themselves in the market.
8. Students can explain the concept of National Income and methods of its estimation.
9. Students will be able to identify the role and significance of the banking system in the growth and development of an economy.
10. Students will be able to identify and use aspects of economics in law.

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Mapping of Course Outcomes (COs) with Program Outcomes

Course Outcomes (COs)	Relevant Program Outcomes (POs)
1. Students will define fundamental concepts of economics.	11
2. It will help students to identify economic vocabulary, methodologies, tools and analysis procedures.	11
3. Students can illustrate how consumption behaviour is determined by various factors.	12
4. Students will be able to comprehend the problems and challenges faced by different economic systems.	12
5. Students will explain the importance of cost in determination of production function.	11
6. To understand the theoretical and applied in classifying the market structure and its functioning	12
7. Students will be able to demonstrate how different pricing strategies are adopted by firms to establish themselves in the market.	11
8. Students can explain the concept of National Income and methods of its estimation.	10
9. Students will be able to identify the role and significance of the banking system in the growth and development of an economy.	11
10. Students will locate and use information related to economics in law.	11,15

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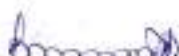
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Course Content

Unit Contents	Number of Sessions
<b>Unit I- Introduction to Economic</b>  a. Definition of Economics, Nature and scope of economics, Methodology of Economics, Microeconomics and Macroeconomics, Fundamental Economic problems of an economy and Economic Laws b. Economic systems- Capitalist economy, Socialist economics system and Mixed economic system.  Inter-relation between Economics and Law – Approach of Law and Economics in Social welfare	16
<b>Unit II Consumer Behaviour</b> a. Utility and Law of diminishing marginal utility and Equi-marginal utility b. Demand and Law of Demand and determinants of demand c. Elasticity of demand – Price Elasticity of Demand d. Indifference curve Analysis-properties and Consumer's Equilibrium. e. Consumer's Surplus f. Revealed Preference theory.	13

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<p><b>Unit III - Production and Distribution</b></p> <ol style="list-style-type: none"> <li>Supply and Law of Supply</li> <li>Cost-short run and long run cost curves, Revenue in economics</li> <li>Production function and theories-Law of Variable Proportions and Law of returns to scale.</li> <li>Markets: Features and Price and output determination under Perfect competition, Monopoly features and price output determination, Price discrimination. Monopolistic competition- features and price output determination. Oligopolistic market- features, Price leadership, kinked demand</li> <li>Pricing in practice: Product Life cycle, Skimming price, and Penetration Price and Administration price.</li> </ol>	<p>17</p>
<p><b>Unit IV- National Income</b></p> <ol style="list-style-type: none"> <li>Circular flow of Money</li> <li>National Income meaning and definitions.</li> <li>Concepts of National Income</li> <li>Methods for estimation of National Income and difficulties in its estimation.</li> <li>Concept of Green GDP- National Income and social welfare</li> </ol>	<p>08</p>

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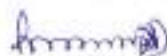


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<b>Unit V - Money, Banking and Financial Institutions</b> a. Money: meaning, Types of Money and Functions of Money b. Value of money-Inflation and deflation c. Supply of Money -four measures of money supply, determinants of money supply and High powered money. d. Commercial banks and Credit creation of commercial banks e. Central Bank: Functions, Credit Control measures f. Role and Functions of Non Banking Financial Institutions,	14
<b>Total</b>	68

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**Prescribed Text Books**

1. Seth, M. L., Principles of Economics, Lakshmi Narian Agarwal Educational Publisher, 44th edition.
2. Seth, M. L., Monetary Economics, Lakshmi Narian Agarwal Educational Publisher, 15th revised edition
3. Seth, M. L., Macro Economics, Laxmi Narain Agarwal, Educational Publishers, Agra.

**References**


1. H.L.Ahuja Modern Economics, S Chand and Company Limited, New Delhi, 2015, 19<sup>th</sup> revised edition
2. Stonier and Hague A Textbook of Economic Theory
3. H L Ahuja, Managerial Economics, S Chand and Company Limited, New Delhi, 8<sup>th</sup> revised edition, 2008.
4. M L Jhingan, Money, Banking and International Trade
5. M.C. Vaish, Macro-Economic Theory, Vikas Publishing House, New Delhi
6. D.N. Dwivedi, Macroeconomics, Tata Mc Graw Hill
7. Ahuja, H. L.: Macroeconomics (Theory & Policy), S. Chand & Company, New Delhi.

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### Unit Wise Plan

<b>Unit Number: I</b>	<b>Planned Sessions: 16</b>
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### Unit Learning Outcomes

Unit Learning Outcomes	Cos	BL
1.Explain the fundamental concepts of economics	1,2	1,2
2.Identify the facets of an economic problem	4	3
3. Distinguish between the different economic systems	1	4
4.Compare and comprehend the problems and challenges faced by different economic systems	4	2,5
5. Connects economics to law,	10	2

### Topic Wise Plan

SL No.	Topic	Number of Sessions	Pedagogy
1	a. Definition of Economics, b. Nature and scope of economics, c. Methodology of Economics d. Microeconomics - Macroeconomics, e. Fundamental Economic problems of an economy f. Economic Laws	11	Lecture

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2	Economic systems- a. Capitalist economy, b. Socialist economics system and c. Mixed Economic System.	3	Lecture with discussion
3	a. Inter-relation between Economics and Law – Approach of Law and Economics in Social-welfare.	2	Lecture

**Prescribed Reading(s) / Learning Resource(s)**

1. M.L Seth, Principles of Economics, Lakshmi Narian Agarwal Educational Publisher, 44th edition.

**Additional Reading(s) / Learning Resource(s)**

1. H.L.Ahuja Modern Economics, S Chand and Company Limited, New Delhi, 2015, 19<sup>th</sup> revised edition
2. Stonier and Hague A Textbook of Economic Theory

**Unit Wise Plan**

<b>Unit Number: II</b>	<b>Planned Sessions: 13</b>
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### Unit Learning Outcomes

Unit Learning Outcomes	Cos	BL
1. explain demand and its determinants influence on consumer's consumption behaviour.	1,2,3	2
2. Explains the relevance of economic theories on consumer's consumption behaviour	3	2
3. Explains how consumers maximise total utility within a given income using the Utility analysis	2,3	2
4. Relate the consumer's response to changes in price of the goods.	3	2

### Topic Wise Plan

S.No	Topic	Number of Sessions	Pedagogy
1	Utility and Law of diminishing marginal utility and Equi-marginal utility	3	Lecture
2	Demand, Law of Demand and determinants of demand	3	Lecture with discussion
3	Elasticity of demand – Price Elasticity of Demand	2	Lecture
4	Indifference curve Analysis-properties and Consumer's Equilibrium	2	Lecture
5	Consumer's Surplus	1	Lecture

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6	Revealed Preference theory	2	Lecture
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**Prescribed Reading(s) / Learning Resource(s)**

1. M.L. Seth, Principles of Economics, Lakshmi Narian Agarwal Educational Publisher, 44th edition.

**Additional Reading(s) / Learning Resource(s)**

2. H.L.Ahuja Modern Economics, S Chand and Company Limited, New Delhi, 2015, 19<sup>th</sup> revised edition
3. Stonier and Hague A Textbook of Economic Theory

**Unit Wise Plan**

<b>Unit Number: III</b> <b>Production and Distribution</b>	<b>Planned Sessions: 17</b>
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**Unit Learning Outcomes**

Unit Learning Outcomes	Cos	BL
1. Define the supply in a market and demonstrate using a supply curve	1	1,3
2. Define the term "production" and understand how theories of production guide in decision making for the production process.	1,5	1,2

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3. Define and differentiate various costs and its influence on production function.	5	1,4
4. Analyse the market structures and apply theoretical concepts of perfect competition to identify the behaviour of monopoly market and imperfect competition.	6	4
5. To explain the concept of price and output decisions of firms under various market structures.	7	3
6. Determine the pricing decisions on the type commodity introduced in the market derived mainly on its life cycle.	7	2

#### Topic Wise Plan

S.No	Topic	Number of Sessions	Pedagogy
1	Supply and Law of Supply	2	Lecture
2	Cost-short run and long run cost curves, Revenue	3	Lecture with discussion
3	Production function and theories-Law of Variable Proportions and Law of returns to scale.	3	Lecture

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4	Markets: Features and Price and output determination under Perfect competition, Monopoly features and price output determination, Price discrimination. Monopolistic competition- features and price output determination, Oligopolistic market- features, Price leadership, kinked demand	7	Lecture
5	Pricing in practice: Product Life cycle, Skimming price, and Penetration Price and Administration price	2	Lecture and Student presentation

**Prescribed Reading(s) / Learning Resource(s)**

1 M.L Seth, Principles of Economics, Lakshmi Narian Agarwal Educational Publisher, 44th edition.

**Additional Reading(s) / Learning Resource(s)**

1. H.L.Ahuja Modern Economics, S Chand and Company Limited, New Delhi, 2015, 19<sup>th</sup> revised edition
2. Stonier and Hague A Textbook of Economic Theory

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### Unit Wise Plan

<b>Unit Number: IV National Income</b>	<b>Planned Sessions: 08</b>
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### Unit Learning Outcomes

Unit Learning Outcomes	Cos	BL
1. Define the National Income and its concepts	1,8	1
2. Explain the methods in estimation of National income and compare between various methods used to compute National Income.	8	2,4
3. To discuss the circular flow of money in the economy and analyse its impact on the functioning of the economic system.	1	2,4
4. To review the need for calculating green GDP	8	2

### Topic Wise Plan

S.No	Topic	Number of Sessions	Pedagogy
1	Circular flow of Money	2	Lecture
2	National Income meaning and definitions	1	Lecture with group discussion
3	Concepts of National Income	2	Student presentation

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4	Methods for estimation of National Income and difficulties in its estimation	2	Lecture and Group discussion
5	Concept of Green GDP- National Income and social welfare	1	Lecture

**Prescribed Reading(s) / Learning Resource(s)**

1. Seth, M. L.: Macro Economics, Laxmi Narain Agarwal, Educational Publishers, Agra.
2. Ahuja, H. L.: Macroeconomics (Theory & Policy). S. Chand & Company, New Delhi.

**Additional Reading(s) / Learning Resource(s)**

1. Vaish. M.C.: Macroeconomic Theory Vikas Publishing House, New Delhi
2. Jhingan M. L.: Macroeconomic Theory, 11th Edition
3. H.L.Ahuja Modern Economics, S Chand and Company Limited, New Delhi, 2015, 19<sup>th</sup> revised edition

**Unit Wise Plan**

<b>Unit Number: V</b> <b>Money, Banking and Financial Institutions</b>	<b>Planned Sessions: 14</b>
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### Unit Learning Outcomes

Unit Learning Outcomes	Cos	BL
1. Define money and explain the functions of money.	1	2
2. Explain the concepts of inflation and deflation. And further analyse the impact of inflationary and deflationary pressures on the economy.	1,9	2,4
3. Differentiate between four measures of money supply	9	4
4. Discuss the role of money and banks in the functioning of an economy	9	2
5. Explain the functions of central bank and discuss the credit control measures utilised by the central bank to monitor and control price fluctuations in the economy.	9	2

### Topic Wise Plan

S.No	Topic	Number of Sessions	Pedagogy
1	Money: meaning, Types of Money and Functions of Money	2	Lecture
2	Value of money-Inflation and deflation	4	Lecture with discussion
3	Supply of Money -four measures of money supply, determinants of money supply and High powered money	1	Lecture
4	Commercial banks- functions Credit creation of commercial banks	2	Lecture Student presentation

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5	Central Bank: Functions, Credit Control measures	3	Lecture and Discussion
6	Role and Functions of Non Banking Financial Institutions	2	Lecture

**Prescribed Reading(s) / Learning Resource(s)**

1. Seth, M. L.: Monetary Economics, Laxmi Narain Agarwal, Educational Publishers, Agra.
2. M L Jhingan, Money , Banking and International Trade

**Additional Reading(s) / Learning Resource(s)**

1. H.L.Ahuja Modern Economics, S Chand and Company Limited, New Delhi, 2015, 19<sup>th</sup> revised edition

**Industry/Professional Skills, Human Values, Service Learning**

Industry/Professional Skills	Knowledge of micro and macroeconomic concepts is a requisite for legal studies
Human Values	Fulfilment of requisites within the given resources Welfare of the people
Service Learning (if any)	Nothing specific

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Evaluation Scheme for ISA

Assessment	Weightage in Marks
Mid-Term Exam	25
Teacher Chosen Assessment	25
Total	50

Teacher Chosen Assessment Method

Component	Details	Weightage
Group assignment and presentation	Students will be formed in group of 5 and a topic would be assigned	10
Mind mapping	Each student will be assigned an economic concept, student has to map it all related variables	10
Attendance		5

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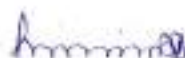


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Weightage of Course Outcomes

Course Outcomes (COs)	Weightage in Assessment
Students will define fundamental concepts of economics.	10
It will help students to identify economic vocabulary, methodologies, tools and analysis procedures.	8
Students can illustrate how consumption behaviour is determined by various factors.	15
Students will be able to comprehend the problems and challenges faced by different economic systems and explain the same.	8
Students will explain the importance of cost in determination of production function.	10
To understand the theoretical concepts of the market and apply them in classifying the market structure and its functioning.	12
Students will be able to demonstrate how different pricing strategies are adopted by firms to establish themselves in the market.	5
Students can explain the concept of National Income and methods of its estimation.	12

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Students will be able to identify the role and significance of the banking system in the growth and development of an economy.	15
Students will be able to identify and use aspects of economics in law.	5
Total	100

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