

# Basic Economics

**Scheme: B.Tech. First Year**

**Course Code: 22HST101**

**Revised Course Title: Principles of Economics**

**Credits: 2 (Lecture-2 Tutorial-0 Practical/Studio-0)**

**Prerequisite: None**

## **COURSE OUTCOMES**

Upon successful completion of the course, students will be able to:

**CO1:** Explain basic economic principles and apply economic reasoning to analyse trade-offs and resource allocation.

**CO2:** Understand how demand, supply, costs, and market structures influence pricing and production decisions in different industries.

**CO3:** Interpret key macroeconomic indicators and explain the role of fiscal and monetary policies in shaping economic outcomes, particularly in the Indian context.

**CO4:** Examine the economic implications of digital technologies, innovation, and entrepreneurship in modern economies.

**CO5:** Analyse contemporary global economic issues such as globalisation, supply chains, sustainability challenges, and geopolitical developments.

## **COURSE CONTENTS**

### **Unit 1: Economic Thinking and Decision-Making**

- Why study economics
- How people make decisions, how people interact, and how the economy as a whole works
- Circular flow of income & Production Possibility Frontier (PPF)

### **Unit 2: Consumer Behaviour**

- Demand, Supply and Market Equilibrium
- Consumer Behaviour (utility, cardinal and ordinal and consumer equilibrium)
- Elasticity of Demand and its applications

### **Unit 3: Production and Firm Behaviour**

- Production function and economies of scale
- Cost concepts: fixed and variable costs; total, average, and marginal costs
- Market structures: perfect competition, monopoly, monopolistic competition and oligopoly

### **Unit 4: Macroeconomy and economic development**

- Economic growth and development: GDP, HDI, and quality-of-life indicators
- Business cycles and economic fluctuations
- Monetary and fiscal policy: objectives and tools; India's current stance
- Sectoral Composition of the Indian Economy, Role of Digital Public Infrastructure

### **Unit 5: Digital Economy, Innovation, and Sustainability**

- Digital economy and platform-based business models
- Artificial intelligence, automation, and the future of work
- Innovation and entrepreneurship: emerging trends and start-up models
- Sustainable development, Circular economy and resource efficiency
- Market-based environmental instruments: carbon taxes and carbon trading

### **Unit 6: Globalisation and Technology in the World Economy**

- International trade, finances and globalisation
- Global value chains and supply chains
- Strategic technologies and global competition (e.g., semiconductors, critical minerals)
- Economic aspects of geopolitics and trade tensions

### ***Text & References:***

#### **Essential readings**

1. Mankiw, N. Gregory (2021). Principles of Economics, 9th Edition, Cengage Learning.
2. Case Karl E. and Fair Ray C., Principles of Economics, Pearson Education Asia , 2014

#### **Supplementary readings**

1. Acemoglu, Daron; Laibson, David; and List, John (2021). Economics, 3rd Edition, Pearson Education.
2. Todaro, Michael P. and Smith, Stephen C. (2020). Economic Development, 13th Edition, Pearson Education.
3. Krugman, Paul; Wells, Robin; and Graddy, Kathryn (2018). Economics, 5th Edition, Worth Publishers / Macmillan.
4. Brynjolfsson, Erik and McAfee, Andrew (2014). The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies, W. W. Norton & Company.
5. Banerjee, Abhijit V. and Duflo, Esther (2019). Good Economics for Hard Times, PublicAffairs.
7. Government of India, NITI Aayog (latest edition). Strategy for New India @75 / relevant policy reports on digital economy and infrastructure.

#### **Data Set**

1. Reserve Bank of India (latest edition). Handbook of Statistics on the Indian Economy, RBI.
2. Ministry of Statistics and Programme Implementation (MoSPI) E-Sankhyiki portal <https://esankhyiki.mospi.gov.in/>
3. World Bank Data Bank <https://databank.worldbank.org/source/world-development-indicators>