NIRMA UNIVERSITY

Institute:	Institute of Law
Name of Programme:	B.A.LL.B (Hons.), B.COM.,LL.B (Hons.) B.B.A., LL.B (Hons.)
Course Code:	1LA301CC23
Course Title:	Principle of Economics
Course Type:	Core
Year of Introduction	2018

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Course Learning Outcomes

At the end of the course, the students will be able to:

1. Define market forces of demand and supply and related imperfections. (BL-1)
2. Explain the need to correct markets through policy making. (BL-2)
3. Classify the modes of market regulations and their impact. (BL-3)

Syllabus **Teaching Hours: 60**

Unit I Introduction **7 Hours**

1.1 Definition, scope, basic assumptions and nature of economics

1.2 Branches of Economics: Micro and Macro Economics

1.3 Interactional Dimensions in Law & Economics: Tort Law, Contract Law, Consumer Protection Law, International Trade, Environmental Law (common resource issues), Competition Law and Intellectual Property Law

Unit II: Factors of production: Land, Labor, Capital and Entrepreneurship / organization **8 Hours**

2.1 Production Function & Factor substitution

2.2 Land – characteristics,

2.3 Labour – definition and characteristics,

2.4 Capital – Nature and types

2.5 Entrepreneurship / Organization – basic requirements and constraints

2.6 How Supply emerges out of factor combination

2.7 Law of Supply

Unit III: Consumer Behavior: Demand Analysis **10 Hours**

3.1 Demand: Meaning and definition (Marshall – Hicks – Samuelson Approach)

3.2 Concept of Utility

3.3 Demand Function

3.4 Individual and aggregate demand

3.5 Law of Demand

3.6 Market equilibrium

Unit IV: Application of Supply & Demand **10 Hours**

4.1 Price Elasticity of Demand & Supply, Elasticity and Revenues,
4.2 Impact of government intervention on Price & Quantity – Taxation and Price Control
4.3 Willingness to Pay and Consumer Surplus
4.4 Willingness to Sell and Producer Surplus
4.5 Market Efficiency and Deadweight Loss
4.6 Deadweight Loss of Taxation.
4.7 Predatory Pricing Concept under Competition Act, 2002

Unit V: Regulating Markets / Economic Environment **10 Hours**

5.1 Need and Type of Regulation
5.2 Remedying information failures
5.3 Market Failure and externalities
5.4 Coase theorem and internalizing externality
5.5 Costs of regulation – Control vs. Market based solutions
5.6 Public Goods and Private goods

Unit VI: Markets: Perfect Vs. Imperfect Competition **15 Hours**

6.1 Markets and Competition – Perfect vs Imperfect
6.2 Perfect Competition and Monopoly
6.3 Imperfect Competition – Oligopoly and Monopolistic Competition
6.4 Market forms and its features –Patents, game theory and prisoner's dilemma, and advertising.
6.5 Distortions to Market - Monopolistic and unfair trade practices, Anti-trust and anti-cartel legal systems and international market regulatory systems
6.6 Market Failure: Asymmetric information, Imperfect markets, Incomplete markets

Self-Study:	
Suggested List of Experience:	*NA*
Suggested Reading Reference:	1. Salvatore, D, (2012), *Micro Economics: Theory and Application*, Oxford University Press, Indian Edition, New Delhi. 2. Samuelson, P, (2016), *Economics*, Tata McGraw Hill Publishing Company Limited, New Delhi. 3. Mankiw G.N., (2014), *Principles of Economics*, Seventh Edition, Cengage Learning Publications, Delhi. 4. Ahuja, H.L., (2012), *Advanced Economic Theory: Micro Economic Analysis*, S. Chand and Company Limited, New Delhi.
Suggested Case List:	NA