

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

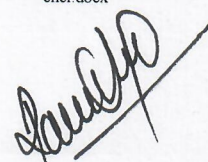
8 Hours

- 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 *NA*

Experience:

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*