<u>Sessions on Economics in the Foundation Course</u>

S. no.	Topics	Concepts	Sessions	Methodology
1.	Principles of Economics	The economists methodology of analysis-viz. i. Rationality ii. Opportunity Costs / Trade-offs, Incentives iii. Competition	2	The core concepts of Scarcity, Choice and Opportunity Costs are to be introduced in this session. The concepts can be introduced through a newspaper article, extracted/ prepared for the purpose to initiate discussion while emphasising the relevance of these ideas to an administrator. This will be followed up by introduction of the methodology used of economists for analysis
2.	Microeconomics : The Maximization Principle	i. Individual Demand: Utility Maximization ii. Firm Supply: Costs and their behaviour iii. Diminishing returns and economies of scale iv. Maximization : the concept of marginals	3	Classroom sessions. Exercises based on these concepts Use of illustrations from PSUs/ RECs to discuss these concepts further.
3.	Introducing the modern economy: the micro view	i. Demand and supply ii. Equilibrium iii. Elasticities iv. Income and Substitution effects v. Normal, Inferior, Merit goods	5	Relevant newspaper articles/ small caselets written in the newspaper article genre will be used to introduce the issue. Examples can be picked up from minimum support prices or other government interventions in the market that lead to price distortions. This can be followed up by introduction of the concept under discussion
4.	Microeconomics :Perfect Competition	i. Conditions / Assumptions for a perfectly competitive market ii. How Individual	2	Classroom discussions.

		Maximization results in Economic Efficiency in the markets		
5.	Microeconomics : Market Imperfections and Role of State	Imperfect Competition i. structure of Industry ii. Externalities iii. Public Goods iv. Role of State when Markets Fail.	4	Class room sessions. Illustrate through various government interventions: Pollution control measures (Externalities), National defence, Public health, CRZ guidelines, Railways Role of Competition Commission to correct for market distortions Market interventions by government & its outcomes; MSP, Rent control etc.
6.	Introducing the modern economy: the macro view	i. Aggregate demand, Aggregate supply, multiplier ii. Circular flow of income iii. National income accounting iv. Measures of growth. Components of GDP and comparison of their contribution to GDP across countries such as China and US. v. Role of the various components such as Consumption, savings or Government expenditure in boosting growth	4	Discussion on the concepts in lecture format. Followed up by a small exercise The idea of development as distinct from growth as measured in GDP terms is to be introduced through discussion on HDI & Gross National happiness. Share information about the institutions engaged in estimating GDP, GSDP and how to access the data. Concept of Purchasing Power parity (Share info Data NSSO data links, series, India Stat, Dev info) Introduction to 'Parallel economy'
7.	Monetary & Fiscal Policy	i. Demand & Supply of Money ii. Price stability , Price indices iii. Money multiplier	4	Lectures and discussion through country level data circulated before the session Share information about the macroeconomic trends in the latest credit policy statement released by the RBI.

		iv. Fiscal Policy, Fiscal deficit, countercyclical intervention		
8.	Trade & Development	i. Economics of International Trade, Production Possibility Frontier ii. Trade policies iii. India's foreign trade, FDI and domestic private investment, determinants, trends and comparisons iv. WTO and its implications	4	Lecture, case studies & hand-outs for self-study Video on trade (Source: Nobel foundation) Reading material to be circulated before class from WTO FAQs Case on the current debates relevant to India on the WTO forum.
9.	India economy Growth and performance	i. Evolution of Indian economy over the years	2	Lecture and classroom discussion
	Total sessions		**30**	

Note: There should be a session towards the end of the course where the participants are given information on the various data sources that exist on the various themes covered during the course and how to access these.