

Programme: M. A. Economics

Course Code: ECC 111

Title of the Course: Microeconomics-1

Number of Credits: 4

Total Contact Hours:48

Effective from AY: 2018-19

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| <u>Prerequisites for the course:</u> | Students must have basic knowledge of microeconomics. Knowledge of mathematics will be an added advantage | |
| <u>Objective:</u> | To introduce the students to modern treatment of microeconomics with applications | Contact Hours |
| <u>Content:</u> | <p>.</p> <p>1.Theory of Consumer Behaviour Consumer's tastes: Indifference Curves-Consumer's choice and equilibrium-Income and substitution effects- Derivation of demand curve Applications of Indifference curves - Revealed preference theorem- market demand models-constant elasticity and distributed lag models.</p> <p>2.Theory of Production and Costs Technology of production-production-Production function-short run and long run-isoquants-Elasticity of substitution-Homogenous and Homothetic -Cobb Douglas Production function - CES,VES production functions-Recent developments-Technical progress and production function-</p> <p>Returns to scale - Choice of least cost combination of inputs. Costs- Short and long run-The L shaped cost curve. Derivation of cost function -Duality of cost and production function.</p> <p>4. The Theory of Competitive Market Perfect competition - short run and long run equilibrium of the firm and industry. Dynamic changes and industry equilibrium: demand changes, cost changes and government taxation. Efficiency in a competitive market.</p> <p>5.Theory of Imperfect Market: Monopoly Monopoly-price and output determination in monopoly-short and long run-price discrimination-degrees of price discrimination-Bilateral monopoly-monopoly and welfare loss-Control of monopoly-</p> <p>6.Monopolistic Competition Monopolistic Competition-product differentiation-Chamberlin's model-price competition and free entry-monopolistic competition and excess capacity.</p> | <p>10</p> <p>14</p> <p>8</p> <p>10</p> <p>6 hours</p> |
| <u>Pedagogy:</u> | lectures/ case analysis/assignments/class room interaction | |

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| <u>References/Readings</u> | <ul style="list-style-type: none"> • Baumol W.J (1987), <u>Economic Theory and Operations Analysis</u>, Prentice Hall of India, New Delhi. • Cowell A Frank (2006) <u>Microeconomics: Principles and Analysis</u>, Oxford University Press, New York • Gravelle Hugh and Ray Rees (2008), <u>Microeconomics</u>, Pearson Education Inc.and Dorling Kindersely Publishing Inc., New Delhi • Heathfield and Wibe,(1987),<u>An Introduction to Cost and Production Functions</u>, Macmillan, London. • Hirshleifer,J, A.Glozer and D Hirshleifer (1997), <u>Price Theory and Applications</u>, Cambridge University Press, New York • Jehle Geoffrey A and Philip J Reny (2008), <u>Advanced Microeconomic Theory</u>, Pearson Education Inc.and Dorling Kindersely Publishing Inc., New Delhi • Koutsoyannis,A(1983),<u>Modern Microeconomics</u>, Macmillan, London. • Kreps.A(1992) , <u>A Course in Microeconomic Theory</u>, Prentice Hall of India, New Delhi. • La manna Manfredi M.A(1997), <u>Readings in Microeconomic Theory</u>, The Dryden Press, London. • Landsburg E Stevan (2008), <u>Pricing</u>, South Western and Centage Learning, New Delhi • Maddala G.S and Ellen Muller(1989), <u>Microeconomics: Theory and Applications</u>, McGraw Hill, Singapore. • MasColell Andreu, Michel D Whinston and Jerry R.Green(1995), <u>Microeconomic Theory</u>, Oxford University Press, Oxford. • Pashigian B. Peter(1995), <u>Price Theory and Applications</u>, McGraw Hill, New York. • Perloff.J.M.(2001), <u>Microeconomics</u>, Addison - Wesley Longman, Delhi. • Pindyck, Robert, Daniel L .Rubinfeld and Prem L Metha (2009), <u>Microeconomics</u>, Pearson Education and Prentice Hall of India, New Delhi. • Sen A (1998),<u>Microeconomics: Theory and Applications</u>, Oxford University Press, New Delhi. • Stigler, G(1996), <u>Theory of Price</u>, Prentice Hall of India, New Delhi. • Varian, H. R. (1992), <u>Microeconomic Analysis</u>, Norton, New York. • Varian, H.R.(1999), <u>Intermediate Microeconomics</u>, Norton, New York. | |
| <u>Learning Outcomes</u> | <ol style="list-style-type: none"> 1. The students will be able to understand the factors that determine consumption and production decisions. | |