

Programme: M. A. Economics

Course Code: ECC 211

Title of the Course: Microeconomics-1I

Number of Credits: 4

Total Contact Hours:48

Effective from AY: 2018-19

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| <u>Prerequisite for the course:</u> | Microeconomics-1 | |
| <u>Objective:</u> | To expose the students to the modern theories of firm, the analytical tools and complex decision making under non competitive conditions | Contact Hours |
| <u>Content:</u> | <p>. 1.Oligopoly Market Structure Non Collusive Oligopoly models - Cournot, Bertrand, Chamberlin, Sweezy and Stackelberg models-Collusive models-Cartels and Price leadership models.</p> <p>2.Managerial Theories of Firm Baumol's sales revenue maximisation- Marris maximum rate of growth and profits hypothesis-Williamson's discretion model -Behavioural model of Cyert and March-</p> <p>3.Theory Of Games Framework of Game theory- two person zero sum game- Dominant Strategies- Non-zero sum games: Prisoners dilemma-Nash equilibrium- sequential games- repeated games-.</p> <p>4. General Equilibrium Factor shares-Technological progress and factor shares- Product Exhaustion theorems-General Equilibrium- General equilibrium in production and exchange -Walrasian Model- Existence, uniqueness and stability of General Equilibrium.</p> <p>5.Information Economics Information Economics-Adverse Selection and Moral hazards- Market for Lemons-Pooling and separating equilibrium- signalling and screening-Principal-agent Problem.</p> <p>6.Linear Programming Linear Programming-linear programming problem-Feasible solution, objective function and optimal solution- Simplex method and iterative procedure.</p> | <p>10</p> <p>10</p> <p>8</p> <p>8</p> <p>6</p> <p>6</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. • 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. • Varian, H.R.(1999), <u>Intermediate Microeconomics</u>, Norton, New York. | |
| <u>Learning Outcomes</u> | <p>The students will be equipped with the modern extensions and modifications of the competitive model.</p> | |