Name of the Programme: M. A. Economics

Course Code: ECO-500 **Title of the Course: Microeconomics**

Number of Credits: 4

Effective from AY: 2022-23

Prerequisites for the course:	Graduate in any discipline.	
Objective:	The objective of the course is to expose the students the applications of modern theories demand, production and the complex decision making problems faced by the firms.	**Hours Per Module**
Content:	**Module 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. Developments in the theory demand- Constant elasticity demand function- Dynamic versions of demand functions-Nerlove, Houthakker and Taylor-Linear expenditure system. **Module 2** **Theory of Production and Costs Technology of 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- 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 **Module 3** **Introduction to perfect and imperfect markets.** Chamberlin's model of monopolistic	**15** **15** **15**

	competition.Oligopoly Market Structure **Uncertainty and interdependence-** Non Collusive Oligopoly models - Cournot, Bertrand, Chamberlin, Sweezy and Stackelberg models-Collusive models-Cartels and Price leadership models-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 Firm's demand for factors in the short run and long run-factor shares-Technological progress and factor shares-Product Exhaustion theorems **Module 4** **General Equilibrium**- General equilibrium in production and exchange -Walrasian Model- Existence, uniqueness and stability of General Equilibrium. Information Economics-Adverse Selection and Moral hazards-Market for Lemons-Pooling and separating equilibrium-signaling and screening-Principal-agent Problem.	**15**
Pedagogy:	• Chalk and talk aided by ICT enabled lectures • PC lab exercises • Assignments and presentations • Group activity • MOOC (or similar) Component	
References/Readings	**Core Readings** C1. Koutsoyannis,A(1983),Modern Microeconomics Macmillan, London. C2. Varian, H.R.(2010), Intermediate Microeconomics: A Modern Approach, W.W. Norton, New York. **Additional readings** A1. Zerloff.J.M.(2020), Microeconomics, Theory and Applications with Calculus, Pearson. A2. Pindyck, Robert, Daniel .Rubinfeld (2017) Microeconomics, Pearson Education	
Learning Outcomes	Students will be able to explain decision making by : a) Households to maximise utility b) Firms to maximize profits	