

Name of the Programme: MSc Integrated

Course Code: IMC- 202

Title of the Course: Microeconomics

Number of Credits: 4(4L-0T-0P)

Effective from AY: 2020-21

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| Prerequisites for the Course: | Nil | |
| Objective: | Equip the students to understand consumer and firm behavior under profit and non-profit maximizing framework. | |
| Content: | Module 1: Introduction and Basic Concepts Nature and scope of micro economics – concept of equilibrium – static, dynamic and neutral equilibrium – Partial Vs. General equilibrium – role and limitations of price mechanisms in a free market economy | 10 hours |
| | Module 2: Theory of Demand Theory of Consumer Behavior- Utility, indifference curve, [income and substitution effects, Slutsky's theorem, compensated demand]; Revealed preference; consumer surplus; | 14 hours |
| | Module 3: Theory of production and costs Production function –short period and long period; law of variable proportions and returns to scale; Isoquants – least cost combination of inputs; Returns of factors; Economies of scale; Elasticity of substitution; Euler's Theorem; Cobb-Douglas, CES, VES and Translog. Cost functions, cost curves, Elasticity of supply. | 14 hours |
| | Module 4: price and output determination Demand and supply equilibrium; Cobweb theorem. Market forms – perfect and imperfect forms – equilibrium under perfect, monopoly, monopolistic, duopoly and oligopoly – importance of time element in price theory – price discrimination and measure of monopoly power – control and regulation of monopoly. | 10 hours |
| Pedagogy: | Lectures/ tutorials/assignments/self-study | |
| Reference/ Readings: | 1. Varian, Hal R., <i>Intermediate Microeconomics</i> , Current Edition, W.W. Norton and Company 2. Andreu Mas-colell, Michael D. Whinston and Jerry R. Green John, <i>Microeconomic Theory</i> , Oxford University Press, Current Edition. | |
| Course Outcomes: | 1. Understand basic economic principles and concepts. 2. Analyze market behavior and outcomes in different market structures. 3. Apply economic models to real-world situations. 4. Understand the implications of microeconomic policies. | |