

**Course: Major Mandatory
Microeconomic Analysis I**

Semester: I	Credits: 4	Subject Code: AMAJCECO123500	Lectures: 60
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Course Outcomes:

At the end of this course, the learner will be able to:

- CO 1- Understand and apply the concepts of micro economics such as market mechanism/ price mechanism,
- CO 2- Recognize the recent development in the field of Microeconomics like Economics of Information
- CO 3- Analyze and demonstrate knowledge of the basic theories/laws in Consumer Behavior
- CO 4- Analyze and demonstrate knowledge of the basic theories/laws in Production Analysis
- CO 5- Understand and apply the Cost Concepts
- CO 6- Explain and Evaluate microeconomic concepts and models pertaining to factor incomes including wages, collective bargaining etc.

Unit 1: Introduction

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- The Basic Micro- Economic Problems of Scarcity and Choice.
- Price Mechanism: - Functions & Limitations
- Disturbances to Equilibrium, Floor Price, Ceiling Price.
- Economics of Information - Asymmetric Information; Adverse Selection- The market for lemons; Insurance Sector: Measures; Moral Hazard; Market Signaling; Principal Agent problem.

Unit 2: Consumer Theory

15

- Theory of Consumer Choice: Cardinal Utility Approach and Ordinal Utility approach
- Ordinal Utility Approach – Assumptions; Indifference Curves – characteristics; Consumer's Equilibrium; Price effect, Income Effect and Substitution Effect
- Theory of Revealed Preference
- Concept and Types of Elasticity of Demand, Determinants and Significance of the concept of elasticity of demand;
- Revenue Concepts
- Consumers' Surplus



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Unit 3: Production and Cost Theory	15
<ul style="list-style-type: none"> ● Production Function - short run and long run ● Law of Variable Proportions, Laws of Returns to Scale, ● Isoquants- meaning and characteristics, MRTS, Iso- cost line, ● Producers' equilibrium with isoquants ● Concept of Producers' Surplus ● Cost Curves, Total, Average and Marginal Cost, Short Run and Long Run Costs. ● Economic Cost and Accounting Cost ; Incremental Costs and Sunk Costs; Private Costs and Social Costs. ● Economies of Scale and LAC 	

Unit 4: Theory of Factor Pricing	15
<ul style="list-style-type: none"> ● Wage determination under Perfect Competition and Imperfect Competition ● Trade Unions and Collective Bargaining ● Rent- Classical and Modern Theory of Rent ● Interest- Classical theory, Neoclassical theory and Keynesian Theory of rate of Interest ● Profit- Risk & Uncertainty Theory of profit, Rent Theory of profits, Wage Theory of profits, Dynamic theory of profits 	


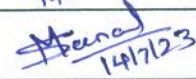
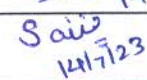
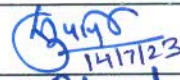
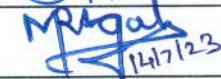

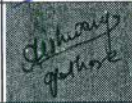
Recommended Text Books:
<ul style="list-style-type: none"> ● Dwivedi, D.N. (2003), <i>Micro Economics : Theory and Applications</i>; Pearson Education (Singapore) Pvt. Ltd, Delhi. ● Koutsoyiannis, A. (1980) <i>Modern Microeconomics</i>, the Macmillan Press Ltd, London. ● Lipsey and Chrystal (2004), <i>Economics</i>, Oxford University Press. ● Samuelson P. A. & Nordhaus W.D. (1998), <i>Economics</i>, Tata McGraw Hill, New Delhi ● Stigler, G (1996): <i>Theory of Price</i>, Prentice Hall of India, New Delhi. ● Stonier A .W. & Hague D.C. (2004), <i>A Textbook of Economic Theory</i>, Pearson Education, Delhi



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Reference Books:

- Gravelle H. and R.Rees (2007) *Microeconomics* Pearson Publication New Delhi
- Hirschleifer J and A. Glazer (1997): *Price Theory and Applications*, Prentice Hall of India, New Delhi.
- James Gerber (2012) *Microeconomics*, Pearson Publication New Delhi
- Kreps, David, M (1990): *A Course in Microeconomic Theory*, Princeton University Press.
- Mansfield, E. (1997), *Micro Economics*, W. W. Norton and Company, New York.
- Mankiw, N.G. (2002), *Principles of Economics*, Thomson Asia Pvt. Ltd., Singapore.
- Pindyck, Robert S Rubinfeld, Daniel L, Mehta, Prem (2009) *Microeconomics*, Pearson India
- Salvatore, D. (2003), *Micro Economics*, Oxford University Press.
- Varian, Hal (2009): *Microeconomic Analysis*, 3rd edition W.W. Norton and Company, New York.
- William J. Baumol , Alan S. Blinder (2002) *Microeconomics- Principle and Policy*, 9th edition.

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