



Second Semester 2015-2016

Course Handout Part II

Dated: 13/01/2016

In addition to part I (General Handout for all courses appended to the time table) this portion gives further specific details regarding the course.

Course No. : ECON F242
Course Title : Microeconomics
Instructor-in-Charge : GEETILAXMI MOHAPATRA

1. Scope and Objective:

The course is designed to give emphasis on the application of real life examples on various fundamental issues of Microeconomics. This course extends the tools of modern microeconomic theory and discusses their application to utility and demand; production functions and cost; pricing of output under perfect competition, monopoly, oligopoly, etc.; pricing of productive services; Intertemporal decision-making; equity, general equilibrium; externalities and public goods. An attempt has been made to provide an analytical and quantitative background in the fundamentals of microeconomic analysis.

2. Text Book:

Snyder, Chirstopher and Walter Nicholson, **Fundamentals of Microeconomics**, Cengage Learning, India Edition (2008 by South-Western).

3. Reference Books:

- R1. Robert S Pindyck, Daniel L Rubinfeld and Prem L. Mehta, Microeconomics, Pearson Education, Inc., publishing as Prentice-Hall Inc., 2009, Seventh Edition.
- R2. Koutsoyiannis A, Modern Microeconomics, The MacMillan Press Ltd, Hong Kong, 1982.
- R3. Jeffrey M Perloff, Microeconomics, Pearson Education, Addison Wesley Longman (Singapore) Pte. Ltd., Delhi, Low Priced Edition, 2001 or Fourth Edition, 2007

4. Course Plan:

No. of Lectures	Objective	Chapter Title	References (TB)
1	Introduction to Microeconomics; Overview of the course, Economic Models	Economic Models	Chapter 1
3	Modeling of individual behaviour; Measurement of utility; Utility functions for different Preferences	Preferences and Utility	Chapter 3
3	Determination of optimal behaviour of consumers; Utility Maximization	Utility Maximization and Choice	Chapter 4
5	Derivation of demand curve, change in it due to changes in prices and income, Compensated Demand Curve, Elasticities, Slutsky Equation, Revealed Preference Theory	Income and Substitution Effects	Chapter 5
2	Understanding Demand Relationships among Goods: Complements and Substitutes. Linear attribute model	Demand Relationships	Chapter 6





		Among Goods	
2	Derivation of Isoquants; to examine the behaviour of production functions in the short run and long run	Production Functions	Chapter 9
3	Measurement of costs in the short run and long run; derivation of cost functions from production relations	Cost Functions	Chapter 10
3	The alternative modes of optimizing behaviour of the firm; derivation of the factor demands from optimizing behaviour	Profit Maximization	Chapter 11
3	Characteristics of a perfectly competitive market; estimation of market demand and supply functions in the short run and long run; market equilibrium analysis and profit maximization	Partial Equilibrium Competitive Model	Chapter 12
3	The competitive price system, General equilibrium and factor prices, Introduction to welfare economics, output and efficiency determination commodity-market equilibrium;	General Equilibrium and Welfare	Chapter 13
3	Study of traditional theory of monopoly; price discrimination; pricing and output determination under monopoly; welfare effects of monopoly; cost advantages; government actions; two-part tariffs	Monopoly	Chapter 14
3	Theories of imperfect competition; concept of Duopoly and Oligopoly; pricing and output determination in Oligopolistic competition; co-operative and non-cooperative Oligopoly models and Stackelberg model; The Cournot Solution;	Imperfect Competition	Chapter 15 and 8
2	Pricing in Inputs such as Labor and Capital Market	Labor Markets and Capital and Time	Chapter 16 & 17
3	To examine the situations where market fails to operate: Asymmetric information, externalities and public goods	Asymmetric Information, Externalities and Public Goods	Chapter 18 & 19

5. Evaluation Scheme

S. No.	Component	Weightage (%)	Date and Time	Duration	Remark
1	Midsem Test	30	16/3 9:00 - 10:30 AM	1 hr and 30 min	CB
2	Tutorial and Class Participation	25	Continuous evaluation		CB
3	Comprehensive Examination	45	5/5 FN	3 Hrs	Partly OB

6. Chamber Consultation Hour: To be announced by each instructor

Instructor-in-Charge
ECON F242

