

MAJOR COURSE (MJ - 1)

MICRO ECONOMICS

Credit-04

Full Marks-100, Pass Marks: 40

Lectures 60

Internal: 25 (20+5) End Sem: 75

There will be two group of questions. Group A is compulsory which will contain three questions. Question No. 1 will be very short answer type consisting of five questions of 1 mark each. Question No. 2 & 3 will be short answer type of 5 marks. Group B will contain descriptive type six questions of fifteen marks each, out of which any four are to answer.

Course Objectives:

This course aims to train students in the basic economic theory. It will also enable them to discuss real world economic issues & problems related to Consumer's Behaviour, Production, Cost and Revenue Curves in different markets.

Course Outcomes:

The student will be able to understand the Basic Economic Theory. It will also enable them to learn to use empirical methods to derive conclusions about the validity of Economic Theories.

UNIT-I Introduction

Definition, Nature and Scope of Economics: Micro and macro Economics; Positive and Normative Economics Dynamic and Comparative Static Economics, Central Economic Problems: Scarcity and Choice; Production Possibility Curve/Frontier.

UNIT- II: Consumer's Behaviour, Cardinal and Ordinal Approach, Demand Analysis.

Concept of Utility, Total and Marginal utility, Diminishing marginal utility, consumers equilibrium under Cardinal and Ordinal Utility analysis, Consumer's Equilibrium under Indifference curve analysis, Income Effect Substitution Effect and Price Effect, Normal, Inferior and Giffen Goods. Consumer's Surplus and its measurement Law of Demand, Factors Influencing Demand, Elasticity of Demand; Price, Income and Cross Elasticity of Demand.

UNIT-III : Production Analysis

Production Function: Short Run and Long Run, Law of Variable Proportions, Return to Scale. Cobb-Douglas Production, Iso-Product Curve and its properties; Iso-Cost Line; Producer's Equilibrium.

UNIT-IV: Costs and Revenue Analysis

Cost: Short run and long run cost curves, relation between average cost curve and marginal cost curve. Total Average and Marginal Revenue and their inter-relationship.

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UNIT-V : Equilibrium of Firms and industries

Equilibrium of Firm and industry in different market condition (perfect, Monopoly and monopolistic competition)

Reference Materials:

1. A. Koutosiannis, Modern Micro Economics, Macmillan Press , New Delhi
2. H.L.Ahuja, Advanced Economic Theory
3. M.L. Jhingan , Micro Economics
4. W.J. Baumal, Economic Theory & Operational Analysis
5. N Gregory mankiw, Principles of micro Economics
6. Walter Nikolson , Microeconomic theory