

## Syllabus template

<b>Semester: 3</b>	
<b>Course : Economics</b>	
<b>Paper Title: INTERMEDIATE MICROECONOMICS–I</b>	
<b>Paper code: C2EC230311T</b>	<b>Credits: 4</b>
<b>Hours/week : 4</b>	
<b>Category: Core/MDC/SEC/VAC : Core</b>	
<b>Theory / Practical / Composite : Theory</b>	
<b>No of Modules : 2</b>	
<b>Course Overview:</b>	
<ol style="list-style-type: none"> <li>1. To study formal microeconomic modelling using analytical tools.</li> <li>2. To study the foundations of consumer behaviour and choice.</li> <li>3. To study the structure and functioning of competitive markets.</li> <li>4. To study the basic principles of input markets.</li> <li>5. To study how to think systematically and logically like an economist.</li> <li>6. To study the application of microeconomic concepts to real-life situations.</li> </ol>	
<b>Course Outcome:</b>	
<b>Module 1:</b>	
1. Identify key concepts of consumer choice, including price effects, income–substitution effects, and revealed preference theory.	
2. Describe the Hicksian and Slutsky decompositions, the Slutsky equation, and their economic interpretations.	
3. Apply the principles of labour–leisure choice, savings decisions, and intertemporal consumption to standard consumer decision problems.	
4. Analyze consumer behaviour under uncertainty by examining risk preferences, expected utility, and alternative decision frameworks.	
5. Evaluate competing models of consumer choice by assessing their consistency with observed behaviour and revealed preference axioms.	
6. Construct economic models of consumer decision-making that incorporate price changes, uncertainty, and intertemporal trade-offs.	
<b>Module 2:</b>	
1. List the core characteristics of profit-maximizing firm behaviour and the assumptions underlying perfect competition.	
2. Summarize the conditions for firm and industry equilibrium and clearly outline how market outcomes determine surpluses and policy effects.	
3. Implement graphical and algebraic tools to determine the impact of taxes, subsidies, and price controls on consumers, producers, and total welfare.	
4. Differentiate among derived demand, marginal productivity, value of marginal product, and marginal revenue product in the context of input markets.	
5. Critique the determination of competitive input demand and <b>justify</b> whether factor payments fully exhaust output using the product exhaustion theorem.	
6. Formulate integrated economic models connecting firm decisions, market structure, and input demand to represent applied economic scenarios.	
<b>Prerequisites:</b> Introductory Microeconomics	
<b>SYLLABUS</b>	

UNIT/Module	CONTENT	HOURS or NUMBER OF CLASSES	CO Mapping	COGNITIVE LEVEL
I.	<ul style="list-style-type: none"> <li><b>Consumer Behaviour and Choice:</b> Decomposition of price effects; Hicks and Slutsky decomposition; Slutsky equation; labour supply and savings decision -choice between leisure and consumption; choice under uncertainty and intertemporal choice; revealed preference.</li> </ul>	2 classes per week	CO1, CO2, CO3, CO4, CO5, CO6	K1, K2, K3, K4, K5, K6
II.	<ul style="list-style-type: none"> <li><b>The Firm and Perfect Market Structure:</b> Behaviour of profit maximizing firms under perfect competition; firm and industry equilibrium; consumer and producer surplus, tax, subsidy, price control.</li> <li><b>Input Markets:</b> Basic concepts (derived demand, productivity of an input, value of marginal product, marginal revenue product); demand for input under competitive conditions; product exhaustion theorem.</li> </ul>	2 classes per week	CO1, CO2, CO3, CO4, CO5, CO6	K1, K2, K3, K4, K5, K6

#### Text Books

1. Hal Varian: Intermediate Microeconomics – A Modern Approach; 8th Edition, W.W.Norton & Company, 2010
2. Robert S. Pindyck and Daniel L. Rubinfeld: Microeconomics, 8th Edition, Pearson

#### Suggested readings

1. Walter Nicholson and Christopher M. Snyder: Fundamentals of Microeconomics, Cengage Learning
2. Anindya Sen: Microeconomics: Theory and Applications, OUP, 1999

#### Web Resources

NA

#### Evaluation :CIA: 30 (20+5+5)+ End Semester:70

#### Paper Structure for Theory Semester Exam:

Module	No. of questions to be answered	No. of alternatives given	Marks
Module 1 (35 marks)	3	4	3×5=15
	2	3	2×10=20
Module 2 (35 marks)	3	4	3×5=15
	2	3	2×10=20
		<b>Total</b>	<b>70</b>

### Course outcomes (COs) and Cognitive Level Mapping

COs	CO Description	Cognitive levels
	<b>Module 1</b>	
<b>CO1</b>	Identify key concepts of consumer choice, including price effects, income–substitution effects, and revealed preference theory.	K1
<b>CO2</b>	Describe the Hicksian and Slutsky decompositions, the Slutsky equation, and their economic interpretations.	K2
<b>CO3</b>	Apply the principles of labour–leisure choice, savings decisions, and intertemporal consumption to standard consumer decision problems.	K3
<b>CO4</b>	Analyze consumer behaviour under uncertainty by examining risk preferences, expected utility, and alternative decision frameworks.	K4
<b>CO5</b>	Evaluate competing models of consumer choice by assessing their consistency with observed behaviour and revealed preference axioms.	K5
<b>CO6</b>	Construct economic models of consumer decision-making that incorporate price changes, uncertainty, and intertemporal trade-offs.	K6
	<b>Module 2</b>	
<b>CO1</b>	List the core characteristics of profit-maximizing firm behaviour and the assumptions underlying perfect competition.	K1
<b>CO2</b>	Summarize the conditions for firm and industry equilibrium and clearly outline how market outcomes determine surpluses and policy effects.	K2
<b>CO3</b>	Implement graphical and algebraic tools to determine the impact of taxes, subsidies, and price controls on consumers, producers, and total welfare.	K3
<b>CO4</b>	Differentiate among derived demand, marginal productivity, value of marginal product, and marginal revenue product in the context of input markets.	K4
<b>CO5</b>	Critique the determination of competitive input demand and <b>justify</b> whether factor payments fully exhaust output using the product exhaustion theorem.	K5
<b>CO6</b>	Formulate integrated economic models connecting firm decisions, market structure, and input demand to represent applied economic scenarios.	K6