

Semester	IV
Course	MAJOR
Paper Code	C2EC230421T
Paper Title	INTERMEDIATE MICROECONOMICS - II
No. of Credits	4
Theory/Composite	Theory
Minimum No. of preparatory hours per week a student has to devote	4
No. of Modules	2
Learning Outcomes	<p>1) To explain theoretical concepts pertaining to working of imperfect markets, general equilibrium, welfare economics and market failures.</p> <p>2) Specific focus on techniques of monopoly, monopolistic competition and in oligopolistic markets.</p> <p>3) To study imperfect input market and the role of trade union in such a case.</p> <p>4) To explain aspects of allocational efficiency using general equilibrium framework.</p> <p>5) To study the fundamental theorems of welfare economics.</p> <p>6) To study the importance of Pigouvian tax and Coase bargaining in the field of the presence of externalities.</p>
Syllabus	<p><b>Module 1 (40 marks)</b></p> <p><b>1. Market Structure (Imperfect Competition)</b> Monopoly; pricing with market power; price discrimination; peak-load pricing; two-part tariff; monopolistic competition, oligopoly; Nash-Cournot equilibrium, Stackelberg leadership model.</p> <p><b>2. Imperfect Input Market and Role of Trade Union</b> Monopsony and bilateral monopoly, collective bargaining</p> <p><b>Number of Classes per week: 2</b></p> <hr/> <p><b>Module 2 (30 marks)</b></p> <p><b>3. General Equilibrium, Efficiency and Welfare</b> Equilibrium and efficiency under pure exchange and production - Edgeworth box, overall efficiency and welfare economics: fundamental theorems of welfare economics.</p> <p><b>4. Externalities and market failure</b> Pigouvian tax and subsidy, Coase Theorem, internalizing externalities.</p> <p><b>Number of Classes per week: 2</b></p>
Readings	<ol style="list-style-type: none"> <li>Hal R. Varian, <i>Intermediate Microeconomics, a Modern Approach</i>, 8<sup>th</sup> edition, W.W. Norton and Company/Affiliated East-West Press (India), 2010. The workbook by Varian and Bergstrom could be used for problems.</li> <li>C. Snyder and W. Nicholson, <i>Fundamentals of Microeconomics</i>, Cengage Learning (India), 2010.</li> <li>Anindya Sen, <i>Microeconomics: Theory and Applications</i>, OUP, 1999.</li> <li>Pindyck and Rubinfeld, <i>Microeconomics</i>, Prentice Hall</li> </ol>
Evaluation	<p>Continuous Internal Assessment: 30 marks</p> <p>End- Semester Theory Examination: 70 marks</p>

Paper Structure for Sem Examination	Module	No. of Questions to be Answered	No. of Alternatives	Marks
	Module 1	4	5	$5 \times 4 = 20$
		2	3	$10 \times 2 = 20$
	Module 2	2	3	$5 \times 2 = 10$
		2	3	$10 \times 2 = 20$
	Total Marks			70