



<b>Semester: I</b>				
<b>Course Title: MICROECONOMICS</b>			<b>Marks: 100</b>	
<b>Course Code: M1BC230111T</b>			<b>Credits: 4</b>	
<b>Category: MDC</b>				
<b>Theory/Practical/Composite: Theory</b>				
<b>Course Overview:</b> An undergraduate introductory course explaining the fundamental concepts and principles of microeconomics, including consumer behaviour, firm decision-making, and market interactions.				
<b>Course Outcome:</b> After learning this course, the students will be able to:				
1. Define key concepts like scarcity, choice, and opportunity cost; recognize features of the production possibility frontier and basic economic questions; recall marginal decision-making; identify short- and long-run production functions; list different cost concepts and recognize demand, supply, and types of elasticity.				
2. Describe the budget set and consumer equilibrium and the properties of indifference curves; summarize long-run production (isoquants, isocosts, producer equilibrium, expansion path, returns to scale); explain cost structures and short-run cost curves; summarize the structural characteristics and equilibrium conditions of perfect competition, monopoly, and oligopoly; interpret short- and long-run market equilibria; and explain pricing strategies (cost-plus, peak-load) and public goods.				
3. Demonstrate the laws of demand and supply and their curves; solve related numerical problems; implement the law of variable proportions in short-run production; use measures of market power; and apply dominant strategies and price discrimination to solve numerical problems.				
4. Examine market equilibrium, demand–supply shifts; differentiate between cardinal and ordinal utility; organize the derivation of the demand curve through PCC; attribute relationships between AC and MC, AVC & APL and MC & MPL; examine and analyse the absence of a supply curve in the context of Monopoly, oligopolistic interdependence, Nash equilibrium and the tragedy of commons.				
5. Evaluate differences between cardinal and ordinal utility; criticize their assumptions; and justify their relevance in explaining consumer behaviour.				
6. Construct a firm's short-run supply curve, design and formulate models illustrating the prisoner's dilemma, and develop and compose explanations and examples of the free rider problem.				
<b>Prerequisites:</b> Basic algebra and interpretation of graphs, logical reasoning, and a foundational familiarity with concepts like demand and supply.				
<b>SYLLABUS</b>				
Unit with topic name	Content	Number of Classes	CO Mapping	Cognitive Level
<b>Unit 1: Basic Concepts of Demand and Supply</b>	<ul style="list-style-type: none"> <li>• Concept of scarcity and choice, Opportunity cost, Production possibility frontier, three basic economic questions, marginal decision making</li> <li>• Concept of Demand, Law of Demand and Demand Curve;</li> <li>• Concept of Supply, Law of Supply and Supply curve;</li> <li>• Market Equilibrium – Determination and Effects of</li> </ul>	7	CO1 CO2 CO3 CO4	K1 (REMEMBER) K2 (UNDERSTAND) K3 (APPLY) K4 (ANALYSE)



	<p>Changes in Demand and Supply</p> <ul style="list-style-type: none"> <li>• Concepts of Elasticity of Demand: Own Price, Cross-Price and Income.</li> <li>• Numerical problems;</li> </ul>			
<b>Unit 2: Theory of Consumer Behaviour</b>	<ul style="list-style-type: none"> <li>• Cardinal vs Ordinal Utility,</li> <li>• Concept of Indifference Curves – Properties</li> <li>• Budget Line – Defining the Budget Set / Affordable Set,</li> <li>• Consumer Equilibrium,</li> <li>• PCC and the Derivation of Demand Curve.</li> </ul>	<b>9</b>	CO1 CO2 CO4 CO5	K1 (REMEMBER) K2 (UNDERSTAND) K4 (ANALYSE) K5 (EVALUATE)
<b>Unit 3: Theory of Production and Cost</b>	<ul style="list-style-type: none"> <li>• Concept of Production function – Short-run and Long-run.</li> <li>• Short-run Production Analysis - Law of variable proportions.</li> <li>• Long-run Production Analysis - Concept of Isoquants – properties, Iso-cost Lines, Producer's equilibrium, Expansion path, Returns to scale and Economies of Scale.</li> <li>• Cost: Different Cost Concepts, Explicit and Implicit Cost, Differences between short run and long run cost - Derivation of short run cost curves</li> <li>• Relation between AC &amp; MC;</li> <li>• Relation between AVC &amp; APL, MC &amp; MPL;</li> <li>• Numerical Problems.</li> </ul>	<b>12</b>	CO1 CO2 CO3 CO4	K1 (REMEMBER) K2 (UNDERSTAND) K3 (APPLY) K4 (ANALYSE)
<b>Unit 4: Different types of Market Structures:</b>	<p><b>A. Perfect Competition</b></p> <ul style="list-style-type: none"> <li>• Structural characteristics of Perfect Competition.</li> <li>• SR &amp; LR equilibrium of a firm.</li> <li>• Short run supply curve of a firm.</li> <li>• Numerical Problems.</li> </ul>	<b>6</b>	CO2 CO3 CO6	K2 (UNDERSTAND) K3 (APPLY) K6 (CREATE)



	<p><b>B. Monopoly</b></p> <ul style="list-style-type: none"> <li>● Sources of monopoly power.</li> <li>● Short-run equilibrium.</li> <li>● Absence of Supply Curve.</li> <li>● Measures of market power.</li> <li>● Comparison between perfect competition and monopoly</li> <li>● Numerical Problems.</li> </ul>	<b>5</b>	CO1 CO2 CO3 CO4	K1 (REMEMBER) K2 (UNDERSTAND) K3 (APPLY) K4 (ANALYSE)
	<p><b>C. Monopolistic Competition.</b></p> <ul style="list-style-type: none"> <li>● Structural Characteristics.</li> <li>● Perceived and Proportional Demand curves.</li> <li>● Short-Run Equilibrium.</li> </ul>	<b>3</b>	CO2 CO3	K2 (UNDERSTAND) K3 (APPLY)
	<p><b>D. Oligopoly and Game Theory</b></p> <ul style="list-style-type: none"> <li>● <b>Oligopoly</b> <ul style="list-style-type: none"> <li>○ Oligopolistic Interdependence</li> <li>○ Equilibrium in an Oligopolistic Models               <ul style="list-style-type: none"> <li>A) Cournot Model</li> <li>B) Collusive Model</li> </ul> </li> </ul> </li> <li>● <b>Game Theory and Strategic Decision Making</b> <ul style="list-style-type: none"> <li>○ Dominant Strategies</li> <li>○ Nash Equilibrium</li> <li>○ Prisoner's Dilemma.</li> </ul> </li> </ul>	<b>10 (6+4)</b>	CO2 CO3 CO4 CO6	K2 (UNDERSTAND) K3 (APPLY) K4 (ANALYSE) K6 (CREATE)
<b>Unit 5: Special Pricing Strategies</b>	<ul style="list-style-type: none"> <li>● Cost Plus Pricing</li> <li>● Price Discrimination.</li> <li>● Peak Load Pricing.</li> </ul>	<b>4</b>	CO2 CO3	K2 (UNDERSTAND) K3 (APPLY)
<b>Unit 6: Externalities, Public Goods and Common Resources</b>	<ul style="list-style-type: none"> <li>● Features of Public Goods.</li> <li>● Free Rider Problem with Examples.</li> <li>● Concept of Production and Consumption Externalities with examples.</li> <li>● Common Resources - Tragedy of Commons.</li> </ul>	<b>4</b>	CO2 CO3 CO4 CO6	K2 (UNDERSTAND) K3 (APPLY) K4 (ANALYSE) K6 (CREATE)
<b>Textbooks</b>				
1. Ghosh. A., Bhattacharya M. <i>Managerial Microeconomics</i> , Platinum Publishers.				
2. Koutsoyiannis, A. (1975). <i>Modern microeconomics</i> . Springer.				
3. Maddala G.S. and E. Miller; <i>Microeconomics: Theory and Applications</i> , McGraw-Hill Education.				
<b>Suggested readings</b>				



1. Mankiw, N. G. (1998). <i>Principles of microeconomics</i> (Vol. 1). Elsevier.
2. Perloff, J. M. (2009). <i>Microeconomics</i> . Pearson Education.
3. Peterson, Lewis and Jain, <i>Managerial Economics</i> , Pearson Education
4. Pindyck, R.S., D. L. Rubinfeld and P. L. Mehta; <i>Microeconomics</i> , Pearson Education.
5. Ryan and Pearce; <i>Price Theory</i> , Macmillan Press.
6. Thomas, Maurice and Sarkar, <i>Managerial Economics</i> , Tata McGraw Hill Education
<b>Web Resources</b>
1. <a href="https://ocw.mit.edu/courses/14-01sc-principles-of-microeconomics-fall-2011/">https://ocw.mit.edu/courses/14-01sc-principles-of-microeconomics-fall-2011/</a>
2. <a href="https://ocw.mit.edu/courses/14-04-intermediate-microeconomic-theory-fall-2020/">https://ocw.mit.edu/courses/14-04-intermediate-microeconomic-theory-fall-2020/</a>

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

COs	CO Description	Cognitive levels
CO1	Define key concepts like scarcity, choice, and opportunity cost; recognize features of the production possibility frontier and basic economic questions; recall marginal decision-making; identify short- and long-run production functions; list different cost concepts and recognize demand, supply, and types of elasticity.	<b>K1 (Remember)</b>
CO2	Describe the budget set and consumer equilibrium and the properties of indifference curves; summarize long-run production (isoquants, isocosts, producer equilibrium, expansion path, returns to scale); explain cost structures and short-run cost curves; summarize the structural characteristics and equilibrium conditions of perfect competition, monopoly, and oligopoly; interpret short- and long-run market equilibria; and explain pricing strategies (cost-plus, peak-load) and public goods.	<b>K2 (Understand)</b>
CO3	Demonstrate the laws of demand and supply and their curves; solve related numerical problems; implement the law of variable proportions in short-run production; use measures of market power; and apply dominant strategies and price discrimination to solve numerical problems.	<b>K3 (Apply)</b>
CO4	Examine market equilibrium, demand–supply shifts; differentiate between cardinal and ordinal utility; organize the derivation of the demand curve through PCC; attribute relationships between AC and MC, AVC & APL and MC & MPL; examine and analyse the absence of a supply curve in the context of Monopoly, oligopolistic interdependence, Nash equilibrium and the tragedy of commons.	<b>K4 (Analyse)</b>
CO5	Evaluate differences between cardinal and ordinal utility; criticize their assumptions; and justify their relevance in explaining consumer behaviour.	<b>K5 (Evaluate)</b>
CO6	Construct a firm's short-run supply curve, design and formulate models illustrating the prisoner's dilemma, and develop and compose explanations and examples of the free rider problem.	<b>K6 (Create)</b>