



<b>Semester: I</b>		
<b>Course name: MICRO ECONOMICS</b>		
<b>Course code: M1BC230111T</b>		
Course Credits: 4		
Pedagogy: Classrooms lecture, Case studies, Group discussion & Seminar		
Course Description: Undergraduate introductory course to explain the basic concepts of Microeconomics		
Learning Objectives: The course aims to help learners to acquire conceptual knowledge of; LO1: The basic microeconomic theories and models along with the policy implications, advantages and limitations of the same. LO2: Utilizing numerical and graphical techniques in understanding and presenting microeconomic concepts.		
Course Outcomes: On successful completion of the course, students will be able to: CO1. To analyse critically and explain the behaviour of individual economic agents such as consumers, firms, and market with the help of diagrams and also some mathematical tools. CO2. To apply the microeconomic theories and models to determine solutions to practical economic problems.		
<b>Unit (No. and Name)</b>	<b>Details</b>	<b>No. of classes</b>
<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 Changes in Demand and Supply</li> <li>● Concepts of Elasticity of Demand: Own Price, Cross-Price and Income</li> <li>● Numerical problems;</li> </ul>	7
<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>	9
<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>	12



Unit 4: Different types of Market Structures:	<b>A. Perfect Competition</b> <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>	6
	<b>B. Monopoly</b> <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>	5
	<b>C. Monopolistic Competition.</b> <ul style="list-style-type: none"> <li>● Structural Characteristics</li> <li>● Perceived and Proportional Demand curves</li> <li>● Short-Run Equilibrium.</li> </ul>	3
	<b>D. Oligopoly and Game Theory</b> <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>	10 (6 +4)
Unit 5: Special Pricing Strategies	<ul style="list-style-type: none"> <li>● Cost Plus Pricing</li> <li>● Price Discrimination.</li> <li>● Peak Load Pricing</li> </ul>	4
Unit 6: Externalities, Public Goods and Common Resources	<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>	4
<b>Practical Exercises/Skill Development Activities:</b> Seminars and Group Discussions		
<b>Suggested Readings/References:</b> <ol style="list-style-type: none"> <li>1. Ghosh. A., Bhattacharya M. <i>Managerial Microeconomics</i>, Platinum Publishers.</li> <li>2. Koutsiyannis, <i>Modern Microeconomics</i>.</li> <li>3. Maddala G.S. and E. Miller; <i>Microeconomics: Theory and Applications</i>, McGraw-Hill Education.</li> <li>4. Perloff, J.; <i>Microeconomics</i>, Pearson</li> <li>5. Peterson, Lewis and Jain, <i>Managerial Economics</i>, Pearson Education</li> <li>6. Pindyck, R.S., D. L. Rubinfeld and P. L. Mehta; <i>Microeconomics</i>, Pearson Education.</li> <li>7. Ryan and Pearce; <i>Price Theory</i>, Macmillan Press.</li> <li>8. Thomas, Maurice and Sarkar, <i>Managerial Economics</i>, Tata McGraw Hill Education</li> </ol>		