



**Course Title: Micro Economics**  
**Credit Units: 4**

**Course Level: UG**

**Course Code: ECON125**

L	T	P/S	SW/F W	TOTAL CREDIT UNITS
3	1	-	-	4

**Course Objectives:**

The purpose of this course is to apply microeconomics concepts and techniques in evaluating business decisions taken by firms. The emphasis is on explaining how the tools of standard price theory can be employed to formulate a decision problem, evaluate alternative courses of action and finally choose among alternatives.

**Pre-requisites: NIL**

**Course Contents/Syllabus:**

	Weightage (%)
<b>Module I : Demand &amp; Supply Analysis</b>	20
Demand, Law of demand, individual demand, Market demand, Determinants of demand, change in quantity demanded versus change in demand, Concept of income elasticity of demand, Price elasticity of demand and cross price elasticity of demand, Revenue concepts. Supply, law of supply, determinants of supply, elasticity of supply, market equilibrium.	
<b>Module II : Theory of Consumer Behaviour</b>	15
Marginal utility theory, Indifference curve theory and its application to tax choice, Consumer's surplus.	
<b>Module III : Theory of Production &amp; Cost</b>	20
Production with one variable input, Production and optimal input proportions, two variable inputs, Law of variable proportions and law of return to scale, Cost Concepts, Theory of costs in short run and long run.	
<b>Module IV : Market Organization and Pricing</b>	20

Pricing under perfect competition, Pricing under monopoly, Price discrimination, Features of monopolistic competition pricing under monopolistic competition	
<b>Module V : Pricing under Oligopoly</b>	<b>15</b>
Features of oligopoly, Kinds of oligopoly, Oligopoly models- Non collusive oligopoly models, collusive oligopoly models, Price rigidity under oligopoly.	
<b>Module VI : Theory of Factor pricing</b>	<b>10</b>
Marginal productivity theory, Welfare economics- concept and measurement of social welfare, Pareto concept of social welfare.	

### Student Learning Outcomes:

On successful completion of the course, the students will be able to:

- **Describe** consumer and producer optimization under assumptions of perfect competition and rationality.
- **Identify** different shapes of Indifference curves and different types of costs.
- **Differentiate** between different market structures and thereby different levels of output that the firm produces.
- **Appraise** the behavior of firms and individual consumers governed by several assumptions.

### Pedagogy for Course Delivery:

Traditional classroom teaching shall be used for developing the concepts. Extensive use of case studies shall be made to develop practical approach and inclination. Innovative discussions shall be carried out in class so that students learn to think liberally using current knowledge base.

### Assessment/ Examination Scheme:

Theory L/T (%)	Lab/Practical/Studio (%)	End Term Examination
100		100

### Theory Assessment (L&T):

Continuous Assessment/Internal Assessment				End Term Examination
Components (Drop down)	Mid-Term Exam	Assignment	Test	
Weightage (%)				

	15%	5%	5%		70%
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**Text Reading:**

- I.C.Dhingra -Principles of Microeconomics-Sultan Chand & Sons
- Ahuja, H.L. *Advanced Economic Theory* (Micro Economics), S. Chand & Co
- Gupta G.S.- Managerial Economics, Browning & Browning
- Varshney. R and Maheshwari, Managerial Economics-Sultan Chand & Co

**References:**

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- Gould & Lazer
- Koutsoyiannis, Modern economics
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