II.   <u>CORE COURSE</u>   [CCECO102]:   (Credits: Theory-04, Tutorial-01)

Marks: 30 (MSE: 20Th. 1Hr + 5Attd. + 5Assign.) + 70 (ESE: 3Hrs)=100   Pass Marks (MSE:17 + ESE:28)=45

Instruction to Question Setter:
Mid Semester Examination (MSE):
*There will be **two** groups of questions in written examinations of 20 marks. **Group A is compulsory** and will contain five questions of **very short answer type** consisting of 1 mark each. **Group B will contain descriptive type five** questions of five marks each, out of which any three are to be answered.*

End Semester Examination (ESE):
*There will be **two** groups of questions. **Group A is compulsory** and will contain two questions. **Question No.1 will be very short answer type** consisting of five questions of 1 mark each. **Question No.2 will be short answer type** of 5 marks. **Group B will contain descriptive type six** questions of fifteen marks each, out of which any four are to be answered.*

Note: There may be subdivisions in each question asked in Theory Examinations
*   The Mid Semester Examination shall have three components. (a) Two Semester Internal Assessment Test (SIA) of 20 Marks each, (b) Class Attendance Score (CAS) of 5 marks and (c) Class Performance Score (CPS) of 5 marks. "**Best of Two**" shall be applicable for computation of marks for SIA.*
(Attendance Upto75%, 1mark; 75<Attd.<80, 2 marks; 80<Attd.<85, 3 marks; 85<Attd.<90, 4 marks; 90<Attd, 5 marks).

MICRO ECONOMIC ANALYSIS
Theory: 60 Lectures; Tutorial:15 Hrs
Module I: Consumer Behavior and Demand Analysis

Theories of Demand –utility; indifference curve (income and substitution effects; Slutsky theorem, compensated demand curve) and their applications; Indirect utility demand functions (Hicksian and Marshallian) Elasticity (price, cross, income) of demand and elasticity of supply; Revealed Preference theory; Revision of demand theory by Hicks; Consumer's Surplus.

Module II: Theory of Production and Cost

Marginal productivity, rate of technical substitution, elasticity of input substitution, Production function – short period and long period; Law of Variable Proportions and Returns to Scale; Isoquants least cost combination of inputs; Leontief's Isoquants, Returns to factors; Economics of Scale and scope, Learning curve; Multiproduct Firm; Cobb-Douglas, CES, Traditional and Modern theories of cost.

Module III: Price & Output Determination in Perfect Competition and Monopoly

Perfect competition Equilibrium in short run and long run of firm and industry.
Monopoly – short run and long run equilibrium, price discrimination, monopoly power. Monopsony – price and output determination.
Bilateral monopoly - price and output determination.

Basic Reading List

- Baumal- Economic theory and Operations analysis, Prentice Hall.
- Breit, William and Hochman, Harold M-Readings in Microeconomics, Rinehart and Winston Inc.
- G S Madala- Microeconomics
- Hal R Varian and W.W. Norton - Microeconomic Analysis (third edition).
- Koutsoyiannis- Modern Microeconomics, Macmillan.
- Robert S Pindyck and Daniel L Rubinfeld- Microeconomics (fifth edition), Prentice Hall.
- Steven E Landsburg -Price Theory and Applications, (fifth edition), South Western Thomson Learning.
- Walter Nicholson- Microeconomic Theory: Basic Principles and Extensions (eighth edition), South Western Thomson Learning.