

II. CORE COURSE [CCECO202]:

(Credits: Theory-04, Tutorial-01)

Marks: 30 (MSE: 20Th. 1Hr + 5Attd. + 5Assign.) + 70 (ESE: 3Hrs)=100	Pass Marks (MSE:17 + ESE:28)=45
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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 Upto 75%, 1 mark; 75 < Attd. < 80, 2 marks; 80 < Attd. < 85, 3 marks; 85 < Attd. < 90, 4 marks; 90 < Attd., 5 marks).

ECONOMICS OF IMPERFECT MARKETS, THEORIES OF DISTRIBUTION & WELFARE**Theory: 60 Lectures; Tutorial: 15 Hrs****Module I: Price & Output Determination Imperfect Competition**

Chamberlin's approach to Monopolistic Competition, Oligopoly – Non Collusive models – classical & kinked demand model – Collusive Models - Cartels and price leadership model.

Module II: Alternative Theory of the Firm

Baumol's Sales Maximisation Theory, Williamson's model of managerial discretion. Morris model of managerial enterprise. Hall & Hitch full cost pricing theory. Game Theory Models.

Module III: Distribution

Micro theories of distribution – Marginal Productivity theory, Product exhaustion theorem, Theory of distribution in imperfect markets. Macro theories of distribution – Ricardian Theory Marxian Theory Kaleckis theory & Kaldor's Theory.

Module IV: Welfare Economics 1

Definition and scope of welfare economics, Pigou's welfare economics, Pareto optimal & contract curve, condition of optimum production and optimum exchange & optimum consumption

Module V: Welfare Economics 2

Compensation criteria – Contribution of Kaldor, Hicks and Scitovsky, Social welfare function, Theory of second best, Arrow's Impossibility Theorem.

Basic Reading List

- ☐ Arrow, K.J. (1951) Social Choice and Individual Values, Yale Univ. Press.
- ☐ Pigou, A.C. (1962) Economics of Welfare (4th Edition) Mac Milan.
- ☐ Samuelson, P.A. (1947) Foundation of Economic Analysis, Howard Univ. Press.