**B.COM.**

**SEMESTER I**

**Micro Economics (CC 3)**

**(100 Marks , 60 Lectures)**

**Objectives:**

1. To acquaint the students with the concepts of microeconomics dealing with Consumer demand and consumer behaviour.

2. To make the student understand the supply side of the market through the production and cost behaviour of firms.

3. To make the student understand different types of market and levels of competition prevailing in the market

4. To familiarize the students with different types of market imperfections and strategies adopted by firms in the imperfect market.

**Unit I Demand and Consumer Behaviour (20 Marks, 10 Lectures)**

Demand Analysis, Elasticity of demand: price, income and cross. Concepts of revenue: marginal and Average. Revenue under conditions of Perfect and imperfect competition, Consumer Behaviour: Indifference curve analysis of consumer behaviour; Consumer’s equilibrium (necessary and sufficient conditions). Price elasticity and price consumption curve, income consumption curve and Engel curve, price change and income and substitution effect.

**Unit II Production and Cost (25 Marks, 15 Lectures)**

Supply Analysis, Production isoquants, marginal rate of technical substitution, economic region of production, optimal combination of resources, the expansion path, isoclines, returns to scale using isoquants. Cost of Production: Social and private costs of production, long run and short run costs of production. Economies and diseconomies of scale and the shape to the long run average cost. Learning curve and economies of scope.

**Unit III Perfect Competition and Monopoly (30Marks, 20 Lectures)**

Perfect competition: Assumptions. Equilibrium of the firm and the industry in the short and the long runs, including industry’s long run supply curve. Measuring producer surplus under perfect competition. Demand - supply analysis including impact of taxes and subsidy.

Monopoly: Monopoly short run and long run equilibrium. Shifts is demand curve and the absence of the supply curve. Measurement of monopoly power and the rule of thumb for pricing.Horizontal and vertical integration of firms.Degrees of price discrimination.

**Unit IV Imperfect Competition (25 Marks, 15 Lectures)**

Monopolistic Competition and Oligopoly: Monopolistic competition price and output decision-equilibrium. Monopolistic Competition and economic efficiency, Oligopoly and Interdependence – Cournot’s duopoly model, Stackelberg model, kinked demand model.Prisoner’s dilemma, collusive oligopoly – price-leadership model – dominant firm, cartels, sales maximization.

**References:**

1. Pindyck, R.S., D. L. Rubinfeld and P. L. Mehta; Microeconomics, Pearson Education.

2. N. Gregory mankiw, Principles of Micro Economics, Cengage Learning

3. Maddala G.S. and E. Miller; Microeconomics: Theory and Applications, McGraw-Hill Education.

4. Salvatore, D. Schaum’s Outline: Microeconomic Theory, McGraw-Hill, Education.

5. H.L. Ahuja, [Advanced Economic Theory: Microeconomic Analysis (English) 20th Edition, S Chand Publications.](http://www.flipkart.com/advanced-economic-theory-microeconomic-analysis-english-20th/p/itmdytg8gdsyxqav?pid=9788121902601&srno=b_3&al=VI9czj2bJnIGWP3vYkTN%2BXjhdD%2BQy%2FPxaE%2BsZr6tqozOhaD08%2BgNgIaLq2lx4bRfFLwHQxVDMNU%3D&ref=48706e6a-58e4-4058-b9a1-110d17add43a)

5. Case and Fair, Principles of Micro Economics, Pearson Education

6. Koutsiyannis, Modern Micro Economic Theory.

7. C Snyder, Microeconomic Theory: Basic Principles and Extensions, Cengage Learning

8. Bilas, Richard A., Microeconomics Theory: A Graphical Analysis, McGraw-Hill Education.

9. Paul A Samuelson, William D Nordhaus, Microeconomics, McGraw-Hill Education.

10. AmitSachdeva, Micro Economics, KusumLata Publishers