

Principle of Microeconomics

Course Code: IEC01C004T

Course Title : Principle of Microeconomics

Semester : II

Credits : 4

Rationale: This course is designed to expose the students to the basic principles of microeconomic theory. The emphasis will be on thinking like an economist and the course will illustrate how microeconomic concepts can be applied to analyze real-life situations.

Course Outline

Contents	No. of Lectures
Unit I: Introduction to Demand and Supply Concept of demand, law of demand, elasticity of demand: price, income and cross elasticity of demand, different methods of measurement of elasticity of demand and determinants of demand. Concept of supply, law of supply, elasticity of supply and determinants of supply.	7
Unit II: Consumer Behavior Consumer Preferences and its types, Indifference Curves Analysis Budget constraints, Consumer Equilibrium, price, income and substitution effects, Price consumption curve and income consumption curve, The Changes in demand and Engel's Curve and consumer surplus. Theory of Demand and Utility Analysis – Cardinal and Ordinal approach.	7
Unit III: Producer Behavior Production Possibility Curve, Law of Variable Proportions, Returns to Scale, Isoquants, Producer's equilibrium, Linear Homogenous Production Function	7
Unit IV: Cost and Revenue Traditional theory of Cost-Short Run and Long Run Cost Curves: Revenue Concepts: - Average, Marginal and Total Revenue, Profit Maximization, Numerical Problems.	7
Unit V: Market Structures Market: Meaning and Types, Perfect Competition, Monopoly, Monopolistic competition and Oligopoly, Price Discrimination, Introduction to Game theory	7

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Course Outcomes

Upon successful completion of this course, candidates will be able to learn

- How Individual economic agent viz consumer, producer take decision?
- Interactions of supply and demand
- How individual firm behave in different market set up?

Text Books:

1. A. Koutsoyannis (1979), *Modern Micro Economics*, MacMillan Press, London
2. Karl E. Case and Ray C. Fair (2007), *Principles of Economics*, Pearson Education, Inc., 8th edition.
3. Varian R H (2019). *Intermediate Microeconomics : A modern approach*, W. W Norton New York (Latest Edition).

Reference Books

1. N. Gregory Mankiw (2007), *Economics: Principles and Applications*, India edition by South Western, a part of Cengage Learning, Cengage Learning India Private Limited, 4th edition
2. Joseph E. Stiglitz and Carl E. Walsh (2007), *Economics*, W.W. Norton & Company, Inc., New York, International Student Edition, 4th edition, 2007.
3. Varian H (2019). *Microeconomic Analysis*, W. W Norton New York

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