

M.A. 1st Semester
Paper- 101(Compulsory)

Time : 3 Hrs.
Max. Marks : 100
External : 80
Internal : 20

MICRO ECONOMIC ANALYSIS-I

- Note:** (i) Nine Questions will be set in all and students will be required to attempt 5 questions.
(ii) Question No. 1 will be compulsory and will consist of 8 short answer type questions of 2 marks spread over the entire syllabus (2*8=16 marks).
(iii) For the remaining four questions, students will attempt 1 out of 2 questions from each of the four units (16 marks each).

Unit-I

Theory of Demand and Consumer Behaviour: Indifference curve approach; Price, Income and Substitution effects (Hicks and Slutsky); Revealed preference theory; Applications of Indifference Curve Analysis; The Consumer's surplus (Marshall and Hicks). Elasticity (Price, cross, income) of demand and Supply and their applications; Revision of Demand theory by Hicks; Linear expenditure system; Indirect utility function.

Unit-II

Production function (properties of Cobb Douglas, CES, Translog); Laws of production(variable proportions and returns to scale with the help of isoquants); Technical Progress and production function; Equilibrium of the firm-single and multi-product firm; Derivation of cost function from production function (using Cobb-Douglas function); Theories of costs – traditional and modern; Analysis of economies of scale.

Unit-III

Perfect competition – Short and long term equilibrium of the firm and industry; Dynamic changes and industry equilibrium.

Monopoly – short run and long run equilibrium; Price discrimination; Monopolistic competition - Chamberlin's approach to equilibrium of the firm.

Unit-IV

Oligopoly – non-collusive models- Cournot, Bertrand, Chamberlin, Kinked-demand curve and Stackleberg solution. Collusive models- Market sharing cartels; Price leadership models.

Basic Reading List

- Koutsoyiannis, A. (1979), *Modern Microeconomics*, (2nd Edition), Macmillan Press, London.
- Salvatore D(2006), *Microeconomics-Theory and Applications*, Oxford University Press
- Varian, H. (2003), *Intermediate Microeconomics*, East-West Press.

Additional Reading List

- Archibald, G.C. (Ed.) (1971), *Theory of the Firm*, Penguin, Harmondsworth.
- Baumol, W.J. (1982), *Economic Theory and Operations Analysis*, Prentice Hall of India, New Delhi.
- Boyes.W and Melvin. M , *Micro economics*, Houghton Mifflin Company Boston Newyork.
- Collet A.,Whinston and Green (2012), *MicroEconomic Theory*, Oxford University Press.
- Da Costa, G. C. (1980), *Production, Prices and Distribution*, Tata McGraw Hill, New Delhi.
- Goodwin, Nelson,Ackerman and WeissKopf(2009), *Micro Economics in context*, PHI Learning Private Limited.
- Gravelle,H.and Rees,R.(2008), *Micro Economics*, Dorling Kindersley.
- Green H.A.G. (1971), *Consumer Theory*, Penguin, Harmondsworth.
- Gupta K.R.(2009), *Advanced MicroEconomics*, Atlantic Publishers and Distributors LTD
- Healthfields and Wibe (1987), *An Introduction to Cost and Production Functions*, Macmillan, London.
- Henderson, J.M. and R.E. Quandt (1980), *Microeconomic Theory: A Mathematical Approach*, McGraw Hill, New Delhi.
- Hirshleifer, J. and A. Glazer (1997), *Price Theory and Applications*, Prentice Hall of India, New Delhi.
- Jehle Geoffrey A.and Reny Philip J (2008), *Advanced Micro Economic Theory*, Dorling Kindersley (India)
- Kreps, David M. (1990), *A Course in Microeconomic Theory*, Princeton University Press, Princeton.
- Layard, P.R.G. and A.W. Walters (1978), *Microeconomic Theory*, McGraw Hill, New York.
- Lipsey and Chrystal(2014), *Economics*, Oxford University Press
- Mankiw(2006),*Principles of Microeconomics*,Cengage Learning
- Mansfield Edwin, *Applied MicroEconomics*, W.W.Norton ,New York London.
- Sen, A. (1999), *Microeconomics: Theory and Applications*, Oxford University Press, New Delhi.
- Sen,A.(2007), *Micro Economics: Theory and applications*. Oxford University Press.
- Varian, H. (2000), *Microeconomic Analysis*, W.W. Norton, New York.