

M.A. 2nd Semester
Paper-201 (Compulsory)

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

MICRO ECONOMIC ANALYSIS-II

- 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

Critical evaluation of marginal analysis; Average cost pricing model; Bain's limit pricing theory; Baumal's sales revenue maximization model(all four static models); Marris model of managerial enterprise; Williamson's model of managerial discretion.

Unit-II

Pricing of factors of production (perfect and imperfect market); Elasticity of technical substitution and factor shares, technical progress and factor shares; Factor pricing and income distribution. Macro theories of distribution – Ricardo, Marx, Kalecki and Kaldor.

Unit-III

The Walrasian approach to general equilibrium; Existence, stability and uniqueness of the partial equilibrium; Maximization of social welfare; Market failure; Externalities, Public goods, asymmetric information.

Unit-IV

Inter-temporal choice in consumption; Economics of Uncertainty - Decision rules under uncertainty; Individual behaviour towards risk: Risk, gambling, insurance decisions. Economics of information – search costs, market signaling.

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.
- Varian, H. (2000), *Microeconomic Analysis*, W.W. Norton, New York.

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.
- Borch, K.H. (1968), *The Economics of Uncertainty*, Princeton University Press, Princeton.
- Boyes.W and Melvin. M , *Micro economics*, Houghton Mifflin Company Boston Newyork.
- Broadway, R.W. and N. Bruce (1984), *Welfare Economics*, Basil Blackwell, London.
- Collel A.,Whinston and Green (2012), *MicroEconomic Theory*, Oxford University Press.
- Diamond and Rothschild (Eds.) (1978), *Uncertainty in Economics*, Academic Press New York.
- Goodwin, Nelson,Ackerman and WeissKopf(2009), *Micro Economics in context*, PHI Learning Private Limited.
- Graff, J. De. V. (1957), *Theoretical Welfare Economics*, Cambridge University Press, Cambridge.
- Gravelle,H.and Rees,R.(2008), *Micro Economics*, Dorling Kindersley.
- Gupta K.R.(2009), *Advanced MicroEconomics*, Atlantic Publishers and Distributors LTD
- 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)
- 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.
- Quirk, J. and R. Saposnik (1968), *Introduction to General Equilibrium Theory and Welfare Economics*, McGraw Hill, New York.
- Sen, A. (1999), *Microeconomics: Theory and Applications*, Oxford University Press, New Delhi.
- Sen,A.(2007), *Micro Economics: Theory and applications*. Oxford University Press.