

**MICRO ECONOMICS**

**External Marks: 80**

**Internal Marks: 20**

**Time: 3 Hours**

**Note: Paper setter will set nine questions in all. Question No. 1 comprising of five short types questions carrying four (4) marks each is compulsory. It covers the entire syllabus. Answers to each question should not be more than one page. Candidates is required to attempt four questions from the remaining eight questions carrying 15 marks each.**

Meaning, nature and scope of economics; micro and macroeconomics; Theories of demand: cardinal utility approach; Indifference curve approach: assumptions, properties, consumer equilibrium, price, income and substitution effects, limitations; Nature of demand function: law of demand; elasticity of demand: price, income and cross; measurement methods of price elasticity of demand.

Production function: meaning and concepts, law of variable proportions; economies and diseconomies of scale; law of returns to scale; Cost concepts; Theory of costs: traditional and modern.

Equilibrium of firm and industry under perfect competition; price and output determination under monopoly, price discrimination; price determination under monopolistic competition: Chamberlin's approach, monopolistic competition vs monopoly.

**REFERENCES**

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- Ferguson P.R. and Rothschild R. and Ferguson G.J.: Business Economics; Macmillan, Hampshire.
- John P. Gould. Jr. and Edward P. Lazear: Microeconomic Theory, All India Traveller, Delhi.
- Jhingan, M.L., Managerial Economics, Vrinda Publications.
- Koutsoyiannis A.: Modern Microeconomics; Macmillan New Delhi.
- Nellis & Parker: The Essence of Business Economics; Prentice Hall, New Delhi.
- Richard G. Lipsey: An Introduction to Positive Economics; ELBS, Oxford.
- Singler G.: The Theory of Price; Prentice Hall of India.
- Watson Donalds and Getz Moloclm: Price Theory and its user; Khasla Publishing House, New Delhi.