

B.A. IInd SEMESTER

PRINCIPLES OF MICRO ECONOMICS–II

ECO-CC-211

Credits 6 (5+1)

PREAMBLE: This is a sequel to Principles of Microeconomics–I covered in the first semester. The objective of the course is the same as in Principles of Microeconomics I.

- Unit-1 Theory of a Monopoly:** Concept & features of Monopoly, Concept of Revenue, Demand and supply curve under Monopoly, short run and long run price and output decisions of a monopoly firm; price discrimination; social cost of monopoly; remedies for monopoly, comparison of perfect competition and monopoly. **(18 Hours)**
- Unit-2 Monopolistic Competition:** Concept & features of Monopolistic competition, SR & LR price and output determinations under monopolistic competition, Monopolistic Competition and Economic Efficiency, Monopolistic Competition versus perfect competition & Monopoly, Chamberlin's Group Equilibrium. **(17 Hours)**
- Unit-3 Oligopoly:** Meaning, assumptions, oligopoly models- Collusive, Price leadership with low cost firm & dominant firm, kinked demand curve. **(16 Hours)**
- Unit-4 Consumer and Producer Theory:** Externalities, marginal cost pricing, internalizing externalities, imperfect or asymmetric information: adverse selection, moral hazard.
Markets and Market Failure: Market adjustment to changes in demand, efficiency of perfect competition; sources of market failure: imperfect markets. **(17 Hours)**
- Unit-5 Income Distribution and Factor pricing:** Input markets: demand for inputs; labour markets, profit maximization condition in input markets, input demand curves, distribution of Income-, Keynesian theory of Interest, Knight & Schumpeter theory of Profit, Ricardian theory of Rent. **(20 Hours)**

Essential Readings:

- Micro Economics, M.L. Jhingan . Vrinda Publication, New Delhi .
- Ahuja., H.L. (2014). Principles of Microeconomics. S. Chand & Company LTD, New Delhi
- व्यक्ति अर्थशास्त्र के. पी. जैन हिमालय प्रकाशन, नई दिल्ली।
- उच्चतर आर्थिक सिद्धांत एच.एल.आहूजा एस. चांद पब्लिसिंग नई दिल्ली।
- व्यक्तिपरक आर्थिक विश्लेषण एच.एल.आहूजा एस. चांद पब्लिसिंग नई दिल्ली।
- व्यक्ति अर्थशास्त्र एच. एल. झिंगन वृंदा पब्लिकेशन, नई दिल्ली।

Suggested Readings:

- Koutsoyiannis, A.(1979), Modern Microeconomic (2nd Edition), Macmillan press, London
- Modern Economics Theory & Policy ,K.K.Dewett S. Chand Publishers , New Delhi.
- Sen., A. (1999), Microeconomic Theory and Application, Oxford University press, New Delhi.
- Micro Economics, Dr.Abha Mittal, S. Chand Publication