

Course Code	Course Name	Credits
26EC002	MICRO-ECONOMICS II	04

Course Objectives

- To analyze the behavioral pattern of different economic agents in the market
- To study the elasticity of demand.
- To study the different theories of distribution
- To study the theories of interest and profit
- To study the welfare economics concept and social welfare theories

Learning Outcomes

Upon successful completion of this course it is intended that a student will be able to:

- Understand the marketing and pricing strategies of a firm in different markets
- Understand the different price elasticity and firm behavior in determining price and output
- Learn about the theories of distribution and can be applied in practical life
- Create and develop the analytical skills to think practically into the economic domain
- Understand the welfare economics concepts and can be applied to understand the real-life situations

Unit 1 – Market Structure Analysis (12Hrs)

Perfect Competition- features, meaning of industry's Equilibrium, short and long run equilibrium of an industry: Price Discrimination-types, conditions and degrees, measures of Monopoly power: Kinked Demand Curve in Oligopoly market.

Unit 2 – Elasticity of Demand and Monopolistic Competition (12Hrs)

Elasticity of demand-Concepts and measurement; Monopolistic competition- concepts, Chamberlin approach to short run and long run equilibrium adjustment in price and output.

Unit 3 – Theories of Distribution (12Hrs)

Concept of Rent, Quasi rent by Marshall, Ricardo theory of rent, Modern theory of rent: Meaning and types of wages, marginal productivity theory of wages, wage fund theory, differential wages, modern theory of wages.

Unit 4 – Interest and Profits (12Hrs)

Meaning, Gross interest and net interest, Classical theory of Interest, Liquidity preference theory: Meaning of profit, theories of profits-Risk theory, innovation theory and uncertainty theory.

Unit 5 –Welfare Economics (12Hrs)

Meaning, objectives and concepts; value judgment, Pigou version of social welfare, criterion for social welfare- Growth of GNP, Bentham, cardinality, Pareto optimality criterion.

Reference Books:

1. Seth, M.L.(1981). Micro Economics. Lakshmi Narain Agarwal, Educational Publishers, AGRA
2. Verma, K.N.(2015). Elements of micro-economics-II. Vishal Publishing Co.
3. Ahuja, H.L.(2019). Advance Economic theory, Micro-economic Analysis. S Chand and Company Limited

Websites and eLearning Sources:

1. <https://himpub.com/product/micro-economics/>
2. <https://www.scribd.com/document/670936808/Microeconomics-References>
3. <https://open.umn.edu/opentextbooks/textbooks/193>

COs and Bloom's Taxonomy Mapping – 26EC002

Course Outcomes	On successful completion of this course, students will be able to	BTL
CO1	Recall the theories and Understand the marketing and pricing strategies of a firm in different markets	K1, K2,K3
CO2	Applying the knowledge on pricing theory to study the price elasticity and firm behavior in determining price and output in monopolistic market.	K3,K4
CO3	Analyze some of the theories of distribution and study how far these theories are relevant in today's economic situations.	K3,K4
CO4	Evaluate some of the interest and profit theories and develop the analytical skills to think practically into the economic domain	K4,K5
CO5	Design and formulate a new insights or strategies on policy recommendations through a project work based on welfare economic principles.	K6

BTL (Bloom's Taxonomy Level) - K1 – Remembering, K2 – Understanding, K3- Applying, K4 – Analyse, K5- Evaluate and K6 - Create

Relationship Matrix – 26EC002

Course Outcomes	Programme Outcomes (POs)						Programme Specific Outcomes (PSOs)					Mean Score of Cos
	PO1	PO2	PO3	PO4	PO5	PO6	PSO1	PSO2	PSO3	PSO4	PSO5	
CO1	2	3	3	2	2	3	2	2	2	2	2	2.27
CO2	3	3	2	2	2	3	2	3	2	2	2	2.36
CO3	2	2	3	2	2	3	2	3	3	2	2	2.36
CO4	2	3	2	2	2	3	2	2	3	2	2	2.27
CO5	2	2	3	3	2	3	2	3	2	2	2	2.36
Total												2.32

Mean Score: 3- High, 2- Medium/Moderate, 1-Low

