

# BACHELOR OF ARTS

## 2<sup>nd</sup> SEMESTER

DISCIPLINE SPECIFIC COURSE – 2 (CORE - 2)

### EC220: ECONOMICS: PRINCIPLES OF MICROECONOMICS-II

Theory: 4 Credits; Tutorial: 2 Credits

Max Marks- 60; Max Marks- 30

Min Marks- 24; Min Marks- 12

#### Course Description

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

#### Unit I: Market Structure

(15 Hours)

Market structure: Perfect and Imperfect markets; Perfect competition- Characteristics; Demand and Revenue; Equilibrium of the firm in short run and long run under identical and differential cost conditions; Supply curve of the firm and the industry; Short run and Long-run industry equilibrium.

#### Unit II: Imperfect Competition I

(15 Hours)

Monopoly-Concept and types; Characteristics; Demand and Revenue under Monopoly; Short Run and Long Run equilibrium under Monopoly; Economic costs of Monopoly-Deadweight loss; Price Discrimination-Concept.

#### Unit III: Imperfect Competition II

(15 Hours)

Monopolistic competition- Concept and characteristics; Short run and Long run equilibrium under Monopolistic competition; Oligopoly- Concept and characteristics; Duopoly- Concept characteristics and equilibrium.

#### Unit IV: Income Distribution and Factor pricing

(15 Hours)

Distribution-Concept, Marginal Productivity Theory of Distribution; Wages-Modern Theory of Wages; Wage Differentials; Rent - Ricardian Theory of Rent; Profit - Innovation Theory; Interest-Keynesian Theory.

#### TUTORIALS: (2 Credits, 30 Hours)

- i. Long-run industry supply curve: Increasing, Decreasing and Constant Cost Industries.
- ii. Efficiency of Competitive Markets.
- iii. Comparison of Monopoly and Perfectly competitive Markets.
- iv. Degrees or Types of Price discrimination.
- v. Kinked demand curve.
- vi. Economic and Quasi Rent.

#### Basic Readings:

- A. Koutsoyiannis (2006), Modern Microeconomics, Macmillan Press Ltd; 7th Edition.
  - i. Nicholson, Walter, and Christopher M. Snyder (2012). Microeconomic theory: Basic principles and extensions. Nelson Education.
  - ii. D. N. Dwivedi (2018), Microeconomics ; Tata McGraw Hill ,New Delhi
  - iii. H. L. Ahuja (2016), Principles of Microeconomic based on UGC model curriculum; S Chand; 22th Edition.
  - iv. Case, Karl E. & Ray C. Fair, Sharon M Oster (2014), *Principles of Microeconomics*, Pearson Education, Inc., 11<sup>th</sup> Edition.

#### Additional Readings:

Additional reading list to be suggested by the concerned teacher.