

Bachelor of Commerce with Accountancy and Finance

SEMESTER III MICRO ECONOMICS Computer Code-3005

4 Credits

Module 3.5

Evaluation Pattern:

Internal Evaluation: 25 Marks

External Evaluation:75 Marks

Unit	Topic	Weight age %	No. of Periods
	<p><i>Objectives:</i></p> <p>To familiarize students with the basic concepts of microeconomics and applications to business situation; the syllabus is meant to guide the students in understanding the real world market situation it can be used as practical goal for decision making.</p>		
I	<p><u>Analysis of Consumer Behavior :</u></p> <p>Cardinal Utility and ordinal approaches</p> <ul style="list-style-type: none">- Indifference curve concept and properties, Price / Budget Line- Consumer equilibrium - price effect - income effect - substitution effect- Elasticity of demand- Measurement of Price, Income & cross Elasticity of demand	25	15

II	<u>Theory of Production & Cost and Revenue Concepts:</u>	20	10
	<p>A) Production Functions - Iso-quants - The Law of Variable Proportions - Return To Scale - Economics of scale;</p> <p>B) Different concepts of cost & their inter relations Economic & Accounting Cost, Implicit & Explicit Cost, Opportunity Cost, (Fixed, Variable, Total, Average, Average Fixed, Average Variable, Marginal Costs & their Short curves) - Long run cost curves with numerical examples.</p>		
III	<u>Revenue Concept:</u> Average Revenue - Marginal Revenue and total revenue - objectives of a firm - conditions of firm equilibrium in Short run & Long run - Break Even analysis and chart	20	10
IV	<u>Market Structure:</u> Equilibrium of the firm and industry under perfect competition in short run and long run - short run and long run equilibrium under monopoly - discriminating Monopoly - monopolistic competition - Equilibrium of firm in short run and long run - Duopoly, oligopoly (only concept) - Pricing methods - Marginal cost - Full cost - Discriminating cost - Dumping multi-product - Transfer pricing	35	25
	Total	100	60

Suggested Readings:

1. Ahuja H.L, Advanced Economic Theory, S.Chand& Co., Mumbai
2. Koutsavannis A., (1990), Modern Micro Economics, Macmillan, Delhi
3. MukarjeeMukharjee&Ghosh (2003), Micro-Economics, Prentice-Hall of India Pvt.,Ltd.,NewDdelhi
4. Varian H.R (2000), Intermediate Micro Economics: A Modern Approach.,East-West Press, New Delhi.
5. Maria John kennedy (1997), Advanced Mico economics, Himalaya Publishing House, Mumbai.
6. S.C.Patra, Business Economics, S.Chand& Co. Mumbai.