

B.COM SEMESTER I

Micro Economics

Paper Code: DSM 101

Total Credit: 3

Internal Assessment: 30

Full Marks: 100

Term End Examination: 70

Objective: The objective of the paper is to acquaint the students with the basic principles of microeconomic theory and illustrate with applications.

Outcome: A student is expected to have a thorough understanding of the various concepts of micro economics and their application in business.

Unit 1: Demand and Supply

Concept and Law of Demand; Determinants of Demand; Types of Elasticity of Demand; Factors determining Elasticity, Measurement of Elasticity of Demand; Demand Forecasting: Types, Determinants, Methods and Usefulness. Concept and Law of Supply, Determinants of Supply, Concept & Measurement of Elasticity of Supply.

Unit 2: Consumer Behaviour

Cardinal vs. Ordinal Utility, Marshallian utility approach, Indifference Curve Approach, Consumer's equilibrium, Law of Substitution: Price, Income and Substitution Effect; Revealed Preference Analysis.

Unit 3: Production and Cost

Concept of Production function: Isoquant and Iso Cost, optimum factor combination, Law of Variable Proportion, Cobb Douglas Production Function, Internal & external economies & diseconomies.

Different concepts of cost, short run and long run cost curves, traditional and modern approaches.

Unit 4: Pricing Analysis

Perfect Competition: Features, equilibrium of firm and industry in the short run and long run, pricing under perfect competition.

Imperfect Competition: Features of Monopoly, Monopolistic competition and Oligopoly; Price and output determination under monopoly, monopolistic competition and oligopoly. Pricing Policy and Pricing Methods.

Unit 5: Factor Pricing

Marginal Productivity theory of Distribution. Wages: Nominal and Real wages, collective bargaining, role of trade union.

Rent: Concept, Ricardian and Modern theory of rent, Quasi rent.

Interest: Concept and Classical, Loanable Fund and Keynesian theories of interest.

Profit: Nature, concept and theories (Risk and Uncertainty Bearing).

Suggested Readings:

Amit Sachdeva, Micro Economics, Kusum Lata Publishers.

Gautam Purkayastha, Micro Economics, Kalyani Publishers.

H.L. Ahuja: Principles of Microeconomics, S Chand and Co. Ltd.

Koutsoyiannis, A: Modern Micro Economic Theory. Macmillan, New Delhi.

Maddala, G.S. and Miller Ellen, Microeconomic Theory and Application, Tata McGraw Hill.

Paul A. Samuelson, William D. Nordhaus, Micro economics, Mc Graw- Hill Education.

Richard G Lipsey: An Introduction to Positive Economy, ELBS Oxford.

Stigler G: The Theory of Price, Prentice Hall of India.