

UNIVERSITY OF MADRAS
B.A. DEGREE PROGRAMME IN ECONOMICS
 SYLLABUS WITH EFFECT FROM 2023-2024

FIRST YEAR - SEMESTER II

| Subject Code | Subject Name | Category | L | T | P | S | Credits | Inst. Hours | Marks | | |
|----------------------------|---|------------------|---|---|---|---|---------|-------------|-------|-----------|--------------|
| | | | | | | | | | CIA | External | Total |
| 104C2A | MICROECONOMICS-II | Core -III | | | | | 5 | 5 | 25 | 75 | 100 |
| Learning Objectives | | | | | | | | | | | |
| C1 | To equip the students to gain knowledge on the market structures | | | | | | | | | | |
| C2 | To analyse the monopoly and price discrimination in the market | | | | | | | | | | |
| C3 | To probe the monopolistic and oligopoly competitions and its operation | | | | | | | | | | |
| C4 | To enrich the students about the Theories of Distribution | | | | | | | | | | |
| C5 | To understand the concepts of Welfare Economics | | | | | | | | | | |
| UNIT | Contents | | | | | | | | | | No. of Hours |
| I | Perfect Competition Features of Perfect Competition – Equilibrium of the firm and the industry in the Short Run - Long-Run Equilibrium in Perfect Competition- Time Element Analysis. | | | | | | | | | | 14 |
| II | Monopoly and Price Discrimination Definition of Monopoly–Demand and Marginal Revenue - Equilibrium under Monopoly– Dead Weight Loss -Policies to Control Monopoly – Price Discrimination–First Degree, Second Degree and Third-Degree Price Discrimination – Dumping. | | | | | | | | | | 15 |
| III | Monopolistic and Oligopoly Competition Monopolistic Competition–Features– Product Differentiation–Market Equilibrium and Short Run and Long Run- Barriers to Entry – Group and Industry Equilibrium– Excess Capacity -Oligopoly – Kinked Demand Curve – Collusion – Cartels and Price Leadership. | | | | | | | | | | 16 |
| IV | Distribution Theory Functional and Personal Distribution – Marginal Productivity Theory of Distribution – Product Exhaustion Theorem - Concepts of VMP and MRP. | | | | | | | | | | 14 |
| V | Welfare Economics and General Equilibrium Welfare Criteria – Adam Smith – Edgeworth – Pareto - Externalities – Walrasian General Equilibrium – Static Properties for Consumption, Production, and Distribution. | | | | | | | | | | 16 |
| Total | | | | | | | | | | 75 | |

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| Course Outcomes | | Programme Outcomes |
|------------------------|--|---------------------------|
| CO | On completion of this course, students will | |
| 1 | Understand the equilibrium conditions in Perfect Competition. | PO1, PO2 |
| 2 | Analyze the equilibrium conditions under Monopoly Market Structure. | PO1,PO2 |
| 3 | Describe the Market Equilibrium under Monopolistic and Oligopoly Market. | PO1,PO2 |
| 4 | Know the importance of theories of Distribution. | PO1,PO2 |
| 5 | Evaluate the aspects of Welfare Economics and General Equilibrium. | PO2,PO3,PO7 |
| Textbooks | | |
| 1. | Robert Pindyck and Daniel L.Rubinfield,(2001) Micro Economics,Macmillan. | |
| 2. | Hal R. Varian (2004), Intermediate Micro Economics East-West Press: New Delhi. | |
| 3. | Walter Nicholson and Christopher Snyder, Micro Economic Theory - Basic Principles and Extensions, Cengage Learning India Pvt, Ltd, 12th Edition, 2016. | |
| 4. | Paul Krugman and Robin Wells, Micro Economics, Worth Publishers, 2020. | |
| 5. | Timothy Taylor,Steven A Greenlaw and David Shapiro (2017) Principles of Economics, 12 th Media Services. | |
| Reference Books | | |
| 1. | Koutsoyiannis (2003), Modern Microeconomics, Palgrave Macmillan (UK) 2 nd Edition. | |
| 2. | Gregory Mankiw (2012), Principles of Microeconomics Cengage India. | |
| 3. | Case & Fair, Principles of Economics Myeconlab series 8 th Edn. | |
| 4. | Mansfield, Edwin and Yohe, Gary (2010): Microeconomics 4 th ed, Viva-Norton Indian Edition | |
| 5. | Ferguson C.E. (1970), Micro Economic Theory, (Homewood, U.S.A) | |
| Web Resources | | |
| 1. | https://open.umn.edu/opentextbooks/subjects/economics | |
| 2. | https://global.oup.com | |
| 3. | https://www.economicsnetwork.ac.uk | |
| 4. | https://edge.sagepub.com/sextonmicro8e | |
| 5. | https://www.aeaweb.org/resources/students | |

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Mapping with Programme Outcomes:

| | PO 1 | PO 2 | PO 3 | PO 4 | PO 5 | PO 6 | PO 7 | PO 8 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| CO 1 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| CO 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| CO 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| CO 4 | 3 | 3 | 3 | 3 | 2 | 3 | 2 | 3 |
| CO 5 | 2 | 3 | 2 | 3 | 3 | 2 | 3 | 3 |
| Weightage | 14 | 15 | 14 | 15 | 14 | 14 | 14 | 15 |
| Weighted percentage of course contribution to POS | 2.8 | 3.00 | 2.8 | 3.00 | 2.8 | 2.8 | 2.8 | 3.00 |

S-Strong-3 M-Medium-2 L-Low-1 **Level of Correlation between PSO's and CO's**

| CO /PO | PSO1 | PSO2 | PSO3 | PSO4 | PSO5 |
|---|-------------|-------------|-------------|-------------|-------------|
| CO1 | 3 | 3 | 3 | 3 | 2 |
| CO2 | 3 | 3 | 3 | 2 | 2 |
| CO3 | 3 | 3 | 3 | 2 | 3 |
| CO4 | 3 | 3 | 3 | 2 | 2 |
| CO5 | 3 | 3 | 3 | 3 | 3 |
| Weightage | 15 | 15 | 15 | 12 | 12 |
| Weighted percentage of Course Contribution to PSOs | 3 | 3 | 3 | 2.4 | 2.4 |

Strong-3 M-Medium-2 L-Low-1