



SYMBIOSIS COLLEGE OF ARTS & COMMERCE

An Autonomous College | Under Savitribai Phule Pune University

Reaccredited 'A+' with 3.51 CGPA For Third Cycle By NAAC | College with Potential for Excellence

COURSE TITLE	Microeconomics: Analysis and its Applications 2	
Paper Number (In case of	Special Paper3 – SEM. IV	
Course Learning Outcomes: On successful completion of the course students will be able to: <ol style="list-style-type: none">1. Understand the concept of revenue and its application2. Analyse the market structures prevalent in the economy and examine the pricing policies3. Examine the issues in the factor market both from demand and supply side and provide comprehensive solutions4. Analyze the factor incomes that accrue to factors of production5. Evaluate the criteria for welfare in an economy and interpret the welfare aspect in different economies		
Gist of this course in maximum 3 to 4 lines	The course would help students to understand and apply various decision tools to understand market structure and pricing policies followed in different markets. The challenges and issues of the factor market is analyzed .Students would be able to compare and discuss welfare state theoretical models and analyse real welfare systems.	
Unit	CONTENTS OF THE COURSE	No. of Lectures
1.	<u>Revenue Concept</u> 1.1. Total Revenue, Average Revenue, Marginal Revenue- 1.2. Relationship between AR MR and Elasticity 1.3. Break Even Analysis (Linear and Non- Linear) 1.4. Application of Break Even Analysis in Economic Decision Making <u>Market Structure and Pricing Practices</u> 2.1 Meaning & Classification 2.2 Perfect Competition – Characteristics, Price determination in the short run and long run 2.3 Monopoly - Characteristics , Price Output Short and Long run Equilibrium, Discriminating Monopolist, Dumping 2.4 Monopolistic Competition: Characteristics, Short & Long run Group Equilibrium 2.5 Oligopoly- Characteristics and Types- Price Leadership, Cartel 2.6 Pricing Strategy	8

2.	Pricing in Practice- Cost Plus Pricing, Peak Load Pricing, Tying and Other Pricing Practices- Price Skimming, Price penetration, Prestige Pricing, Price Matching, Auction Pricing Case Study: DeBeers Diamond Case Study: Competition Law in India Case Study: Cement Industry in India and Cartelization Case Study: Economics of One Plus	16
3.	<u>Factor Pricing</u> 3.1 Input Pricing by Marginal Productivity- Nature of Factor Demand-derived and interdependent. Marginal Revenue Product-Perfectly Competitive case and Imperfect Competition 3.2 Labour market issues and Policy- Collective bargaining, Backward bending Supply Curve 3.3 Theories of Rent-Ricardo, Modern and Quasi Rent	12
4.	<u>Interest and Profits</u> 4.1. Gross and Net Interest 4.2 Theories of Interest-Loanable Funds Theory & Liquidity Preference Theory 4.3 Profit- Gross and Net Profit, Residual and Non Contractual Dynamic Theory of Profits, Innovation Theory of Profits & Risk and Uncertainty Bearing Theory of Profits	8
5.	<u>Welfare Economics</u> 5.1 Definition 5.2 Adam Smith and Jeremy Bentham 5.3 Bergeson Social Welfare Function 5.4 Pareto Optimality Theorem	10
	Total Number of Lectures	54

Recommended Reading:

Austin Frakt and Mike Piper. (2014). *Microeconomics Made Simple*. Simple Subjects LLC

Ahuja H. L. (2017). *Advanced Economic Theory*, Chand and Co. Ltd New Delhi.

Campbell McConnell, Stanley Brue, and Sean Flynn. (2017). *Microeconomics*, Mcgraw-hill Series: Economics. 20th Edition

Jhingan, M.L. (2016). *Microeconomics*, 8th Edition, Vrinda Publications

Lipsey, R.G. and K.A. Chrystal (1999), *Principles of Economics* (9th Edition), Oxford University Press, Oxford

Mankiw, G. (2013). *Principles of Microeconomics*, Cengage Learning

Mansfield, E. (2003). *Microeconomics* (11th Edition), W.W. Norton and Company. N.York Samuel, M and

Mathews, S. (2010). *Economics for Managers*, Tech-Max Publishers

Pindyck, R.S., Rubinfeld, D.L, Mehta, P.L (2009). *Microeconomics*, 7th Edition. Pearson International Edition

Samuelson P. A. and Nordhaus. (2018). *Economics* W. D. Tata McGraw Hill Education (India) Pvt Ltd. N. Delhi.

Salvatore, D. (2017). *Micro Economics Theory*, 3rd Edition, Schaum Series

Suggested Reading

Henderson J. and R.E. Quandt (1980), *Microeconomic Theory : A Mathematical Approach*, McGraw Hill, New Delhi

Koutsoyiannis, A. (1990). *Modern Microeconomics*, Macmillan

Salvatore and Srivastava. (2012). *Managerial Economics* (7th Edition). Oxford University Press. Ind

Tucker, Irvin. (2010). *Microeconomics for Today* 7th Edition. Cengage Learning

Tyler Cowen and Alex Tabarrok. (2018). *Modern Principles: Microeconomics*, 4th Edition, Worth Publishers

Varian, H.L (2019). *Micro Economic Analysis*. Viva-Norton Student Edition