

**DEPARTMENT OF ECONOMICS
DELHI SCHOOL OF ECONOMICS
UNIVERSITY OF DELHI**

MINUTES OF MEETING

A meeting of teachers teaching B.A. Programme (Economics) was held on January 13, 2012 at Department of Economics, Delhi School Economics with Professor S.C. Panda as the Chair. The following attended the meeting.

1. Namita Mathur, I.P. College
2. Priti Agarwal, I.P. College
3. Shailender Kumar, Moti Lal Nehru (Evening) College
4. Neelam J. Malhotra, L.S.R.
5. Sangeeta Meena, Mata Sundri College
6. Archana Gupta, Mata Sundri College
7. Gaurav Jha, Hindu College
8. Bishnu C Nag, Moti Lal Nehru (Evening) College
9. Manjula Singh, St. Stephen's College

The detailed chapter-wise reading for the 2nd semester Microeconomics course was agreed upon and is appended below.

Course 02: Principles of Micro Economics II

Course Description

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

1. Market Structures

a. **Theory of a Monopoly Firm**

Reading: Ch.13

Concept of imperfect competition, Short run and long run price and output decisions of a monopoly firm, Concept of a supply curve under monopoly, comparison of perfect competition and monopoly, social cost of monopoly, price discrimination; remedies for monopoly: Antitrust Laws, Natural monopoly (In anti trust laws, only the concept is to be covered, the examples of United States need not be done).

b. **Imperfect Competition**

Reading: Ch. 14

Monopolistic Competition: Assumptions, Short run and long run price and output determination under Monopolistic competition, economic efficiency and resource allocation; Oligopoly: assumptions, oligopoly models, game Theory, contestable markets, role of government.

2 .Consumer and Producer Theory

a. **Markets and market Failure**

Reading: Ch. 12

Market adjustment to changes in demand, efficiency of perfect competition, allocative efficiency and perfect competition, sources of market failure: imperfect markets, public goods, externalities, imperfect information; evaluating the market mechanism.

b. **Consumer and Producer Theory in Action**

Reading: Ch. 15

Externalities, marginal cost pricing, internalizing externalities, Public goods, Imperfect Information: adverse selection, moral hazard, social Choice, government inefficiency.

3. Income distribution and Factor pricing

Reading: Ch. 10

Input markets: demand for inputs; labour markets, land markets, profit maximisation condition in input markets, input demand curves, distribution of Income.

4. International Trade

Reading: Ch. 33

Absolute Advantage, Comparative Advantage, Terms of Trade, sources of comparative advantage, Trade barriers, Free Trade/ Protectionism.

Readings:

Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, Inc., 8th edition, 2007.

Internal Assessment: There will be two class tests of 10 marks each and 5 marks for attendance.

End Semester Exam: Students will be required to answer 5 questions out of 8. There will be at least one question from each of the chapters of the reading list. One question should cover various parts of the course through short notes.

Prof. S.C. Panda