Minutes of Meeting

Course:   Principles of Microeconomics - II
Date of Meeting:  Thursday 11th December 2014, 2:30 pm
Venue:  Department of Economics, Delhi School of Economics, University of Delhi
Convenor:   Dr. Ram Singh

Attended by:

1  Sunita Meena  Miranda House
2  Abhishek  St.Stephen’s College
3  Meenakshi Sinha Swami  Mata Sundari College

Proceedings of the meeting are as follows.

I.   It was decided that the main reading for the course will be Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, Inc., 10th Edition.
II.   The Course Outline will be as follows:

1.   Market Structures
   a.   Theory of a Monopoly Firm
   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.

   b.   Imperfect Competition
   Monopolistic competition: Assumptions, SR & LR price and output determinations under monopolistic competition, economic efficiency and resource allocation; oligopoly: assumptions, oligopoly models, game theory, contestable markets, role of government.
2. **Consumer and Producer Theory: Markets and Market Failure**

Illustrations of Externalities, internalising externalities, public goods; imperfect information: adverse selection, moral hazard, social choice, government inefficiency.

Theory of marginal cost pricing, market adjustment to changes in demand, efficiency of perfect competition; sources of market failure: imperfect markets, public goods, externalities, imperfect information; evaluating the market mechanism.

3. **Income Distribution and Factor pricing**

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

4. **International Trade**

Absolute advantage, comparative advantage, terms of trade, sources of comparative advantage, trade barriers, free trade/ protectionism.

III. The suggested allocation of lectures across the units will be as follows:

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