

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

**Minutes of Meeting**

Subject: B.A. (Prog) Economics, Second Semester (2014-15)  
Course: Principles of Microeconomics - II  
Date of Meeting: Thursday 11<sup>th</sup> 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., 10<sup>th</sup> 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:

<b>Name of Unit</b>	<b>Number of Lectures</b>
<i>Market Structure</i>	<i>20</i>
<i>Consumer and Producer Theory</i>	<i>24</i>
<i>Income Distribution and Factor Pricing</i>	<i>10</i>
<i>International Trade</i>	<i>06</i>