

UNIVERSITY OF DELHI
DELHI SCHOOL OF ECONOMICS
DEPARTMENT OF ECONOMICS

Minutes of Meeting

Subject: B.A. (Prog) Economics, Second Semester (2015-16)
Course: Principles of Microeconomics - II
Date of Meeting: Wednesday 13th January 2016, 3:00 pm
Venue: Department of Economics, Delhi School of Economics,
University of Delhi
Convenor: Dr. Parikshit Ghosh

Attended by:

1	S.N.Rao	Maharaja Agrasen College
2	Anjali Agarwal	Moti Lal Nehru College (E)
3	Anushruti	Miranda House
4	Jasmin	IP College
5	Kittu Kapoor	Mata Sundri College for women
6	Meenakshi Sinha Swami	Mata Sundri College for women
7	C.Saratchand	Satyawati College
8	Nitish	Miranda House
9	S. Rubina Naqvi	Hindu College
10	Manjula Singh	St. Stephens' College
11	Reena Bajaj	Sri Aurobindo College
12	Sakshi Goel	JDMC
13	Parul Gupta	LSR
14	Urvi Kumar	Dyal Singh College
15	Tanjot Singh	Gargi College
16	Amit Kumar	Vivekanand College

Proceedings of the meeting are as follows.

- I.** It was decided to assign for each topic, relevant chapters from the textbook: Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, Inc., 8th Edition.
- II.** Teachers present thought the lack of quality textbooks in Hindi is a serious problem. It was decided that the University should be approached to commission a Hindi translation of Case and Fair's book.

- III. Concerns were expressed about paper setting. It was felt that questions asked on the final exam should stress conceptual understanding rather than idiosyncratic points listed in quick digest books. The department is requested to call a coordination meeting at the appropriate time where general guidelines about paper setting can be discussed and agreed upon.
- IV. It was felt that students in the programme who may be interested in pursuing higher studies (Masters or beyond) should be encouraged and provided with extra readings. However, instead of putting additional material on the syllabus, this task is left to individual teachers and colleges.
- V. 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 (Chapter 13).

- 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 (Chapter 14).

- 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 (Chapter 15).

- 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 (Chapter 10).

4. International Trade

Absolute advantage, comparative advantage, terms of trade, sources of comparative advantage, trade barriers, free trade/ protectionism (Chapter 33).

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

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