

School of Undergraduate Studies

Ambedkar University Delhi

Course Outline

Time Slot- Monday 11am-1pm

Wednesday 11am-1pm

Course Code: SUS1EC105

Title: Microeconomics II

Type of Course: Discipline (Economics)

Cohort for which it is compulsory: BA Honours Economics

Cohort for which it is elective: All other Majors

No of Credits: 4

Semester and Year Offered: IV

Course Coordinator and Team: Dr. Kritika Mathur

Email of course coordinator: kritika@aud.ac.in

Pre-requisites: Microeconomics I

Aim: The purpose of Microeconomics-II is to give students a thorough understanding of the principles of economics that apply to the functions of individual decision makers, both consumers and producers, within the larger economic system. The students will be introduced to the different market structures, game theory, General equilibrium and Market failure.

Brief description of modules/ Main modules:

1. Market Structures: Perfect competition, Monopoly, Monopolistic Competition, Oligopoly
2. Game Theory and Competitive Strategy: Gambling and Strategic decision, Dominant Strategies, Nash equilibrium Revisited, Repeated Games, Sequential Games
3. General Equilibrium: Concepts and Definitions, Welfare Theorems.
4. Market Failure: Public goods: demand for public goods; supply of public goods; optimal quantity of a public good; cost-benefit analysis, Externalities

| Week | Plan/ Theme/ Topic | Core Reading (with no. of pages) | Additional Suggested Readings |
|------|-----------------------------------|----------------------------------|-------------------------------|
| 1 | Perfect Competition | HRV: Ch-22, 23 | PR: Ch-8, 9 |
| 2 | Monopoly | HRV: Ch-24, 25 | PR: Ch-10, 11 |
| 3 | Monopoly/Monopolistic Competition | HRV: Ch-25, 27 | PR: Ch-12 |
| 4 | Oligopoly | HRV: Ch-27 | PR: Ch-12 |
| 5 | Game Theory | HRV: Ch-28, 29 | PR: Ch-13 |
| 6 | Game Theory | HRV: Ch-29 | PR: Ch-13 |
| 7 | General Equilibrium | HRV: Ch-31, 32 | PR: Ch-16 |
| 8 | General Equilibrium | HRV: Ch-31, 32 | PR: Ch-16 |
| 9 | Public Goods | HRV: Ch-36 | PR: Ch-18 |
| 10 | Externalities | HRV: Ch-34 | PR: Ch-18 |
| 11 | Social Choice | HRV: Ch-33 | PR: Ch-16 |

Assessment Details with weights:

Three Assessments [2 Take Home Assignments (20 per cent each), Mid Term Exam (30 per cent), and End Semester Exam (30 per cent)]

Reading List:

Varian, H. R. (2010). *Intermediate Microeconomics: A Modern Approach: Eighth International Student Edition*. WW Norton & Company.

Pindyck, R. S, & Rubinfeld, D. L. (2013). *Microeconomics. Eighth Edition*. Boston: Pearson.