

SVKM's Narsee Monjee College of Commerce & Economics

Program: Bachelor of Commerce (Economics and Analytics)				Semester: III	
Course: Advanced Microeconomics Academic Year: 2024-25				Code	
Teaching Scheme				Evaluation Scheme	
Lectures	Practicals	Tutorials	Credits	Internal Continuous Assessment (ICA) (weightage)	Term End Examinations (TEE) (weightage)
60	Nil	Nil	04	40	60
Learning Objectives:					
<ol style="list-style-type: none"> To understand the concepts of microeconomics dealing with producer behavior. To understand the revenue-output and profit-output relations and its impact on decisions of quantity to be produced and supplied. To analyze the price-output decisions of sellers and their outcomes in different market structures. To analyze the implications of government regulation in markets. 					
Learning Outcomes:					
At the end of the course, the students should be able to:					
<ol style="list-style-type: none"> Understand & analyse the revenue & profit relationship of business firms under different market structures. Identify different market structures. Draw and interpret diagrams that represent optimum price-output decisions in different markets Assess the impact of existing market-based government solutions to lessen negative externalities and promote positive externalities 					
Pedagogy: Classroom Learning, problem solving, case studies, games and simulations, peer teaching, role play, projects or assignments.					
Detailed Syllabus: (per session plan) Session Outline For Advanced Microeconomics Each lecture session would be of one hour duration (45 sessions)					

Module	Module Content	Module Wise Pedagogy Used	Module Wise Duration	Module Wise Reference Books
I	<p><u>Revenue and Profit Analysis</u></p> <ul style="list-style-type: none"> Revenue concepts. Revenue curves: nature and inter-relationship under perfect competition and monopoly. Relationship between average revenue, marginal revenue and price elasticity of demand. Concepts of profit: normal, super-normal and sub-normal profit. Profit maximization: total revenue-total cost approach and marginal revenue-marginal cost approach. 	Class room lectures	15	Dwivedi D N Managerial Economics (9e; Vikas Publishing House Pvt Ltd) Chapter 11

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	<ul style="list-style-type: none"> • Break –even Analysis: Using the TR-TC concepts - case-studies. 			
II	<p><u>Perfect Competition and Monopoly</u></p> <ul style="list-style-type: none"> • Perfect Competition: Features and nature of demand curve • Equilibrium of a firm and industry in the short and long run under identical and differential cost conditions, concepts of marginal firm and intra-marginal firm. Supply curve of a competitive firm and industry in the short and long run. • Monopoly: features and nature of demand curve • Sources of monopoly power • Equilibrium in the short and long run. • Allocative inefficiency and dead-weight loss, absence of supply curve under monopoly. 	Class room lectures	15	Dwivedi D N Managerial Economics (9e; Vikas Publishing House Pvt Ltd) Chapters 13, 14 and 15
III	<p><u>Monopolistic Competition and Oligopoly</u></p> <ul style="list-style-type: none"> • Monopolistic Competition: features and nature of demand curve • Equilibrium in the short and long run. • Price-output decisions with optimal advertising expenditure. • Excess capacity- benefits and critique. • Economic inefficiency in price-output decisions comparison with perfect competition. • Oligopoly: features, kinked demand curve, discontinuous MR curve, price rigidity. • Collusive and non-collusive oligopoly. Cartels. • Price leadership: meaning and types-low cost firm, dominant firm and barometric firm. • Theory of games and strategic behavior. • Sales maximization model of oligopoly: price-output decisions with non-price competition and optimal advertising expenditure. Critical appraisal. • Satisficing theory of firm. 		15	Dwivedi D N Managerial Economics (9e; Vikas Publishing House Pvt Ltd) Chapters 16, 17 and 18
IV	<p><u>Pricing Practices and Capital Budgeting</u></p> <ul style="list-style-type: none"> • Price discrimination: meaning, conditions for profitable price discrimination, degrees of price 	Class room lectures	15	Dwivedi D N Managerial Economics

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	<p>discrimination, dumping as a special case of price discrimination. Peak –load pricing – Two-part tariff.</p> <ul style="list-style-type: none"> • Average cost (full cost/mark-up) pricing and Marginal cost pricing methods for natural/public monopolies. <p>Capital Budgeting and Investment under certainty:</p> <p>Meaning and Importance- Investment Criteria: Pay Back Period Method, Net Present Value Method, and Internal Rate of Return Method - Case Studies.</p>			<p>(9e; Vikas Publishing House Pvt Ltd) Chapters 20 and 21</p>
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Reference Books:

Title	Author(s)	Publisher
Managerial Economics (Analysis of managerial decision making)	Ahuja HL	S. Chand Publication
Principles of Economics	Frank Robert. H, Bernanke. Ben S.	Tata McGraw Hill
Principles of Economics	Gregory Mankiw.	Thomson South western
Economics	Samuelson & Nordhas.	Tata McGraw Hills, New Delhi
Managerial Economics cases and concepts	Pal Sumitra	Macmillan, New Delhi
Managerial Economics – Analysis, Problem and Cases	Mehta, P.L	S. Chand & Sons, N. Delhi
Managerial Economics	Hirchey .M.	Thomson South western
Managerial Economics in a global economy	Salvatore, D.	Thomson South Western Singapore

Note: Latest edition of text book may be used.

Evaluation Pattern

The performance of the learner will be evaluated in two components. The first component will be a Continuous Assessment with a weightage of 40% of total marks per course. The second component will be a Semester end Examination with a weightage of 60% of the total marks per course. The allocation of marks for the Continuous Assessment and Semester end Examinations is as shown below:

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a) Details of Continuous Assessment (CA)

40% of the total marks per course:

Continuous Assessment	Details	Marks
Component 1 (CA-1)	Class Test	20 marks
Component 2 (CA-2)	Assignment	20 marks

b) Details of Semester End Examination

60% of the total marks per course. Duration of examination will be two and half hours.

Question Number	Description	Marks	Total Marks
Q1.	Answer any One out of Two (Module I)	12 x 1	12
Q2.	Answer any One out of Two (Module II)	12 x 1	12
Q3.	Answer any One out of Two (Module III)	12 x 1	12
Q4.	Answer any One out of Two (Module IV)	12 x 1	12
Q5.	(a) Case Study	6 x 1	6
	(b) Give economic reasons/ Explain the following statements	3 x 2	6
Total Marks			60

Signature

HOD
(Ms. Sneh Choithani)

Signature

Approved by Principal
(Dr. Parag Ajagaonkar)