SVKM′s Narsee Monjee College of Commerce& Economics

Program: Bachelor of Commerce (Economics)				Semester: II	
Course: Advanced Microeconomics Academic Year: 2023-24 Batch: 2023-2027				Code	
Teaching Scheme				**Evaluation Scheme**	
Lectures	**Practicals**	**Tutorials**	**Credits**	**Internal Continuous Assessment (ICA) (weightage)**	**Term End Examinations (TEE) (weightage)**
45	**Nil**	**Nil**	**03**	**40**	**60**

Learning Objectives:
1. To understand the concepts of microeconomics dealing with producer behavior.
2. To understand the revenue-output and profit-output relations and its impact on decisions of quantity to be produced and supplied.
3. To analyze the price-output decisions of sellers and their outcomes in different market structures.
4. To analyze the implications of government regulation in markets.

Learning Outcomes:

At the end of the course, the students should be able to:

1. Understand & analyse the revenue & profit relationship of business firms under different market structures.
2. Compute break-even point and contribution margins of business concerns for forecasting future profits.
3. Identify different market structures.
4. Draw and interpret diagrams that represent optimum price-output decisions in different markets
5. Explore the reasons for and effects of government intervention in the market
6. 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	**Revenue and Profit Analysis** • 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.	Class room lectures	12	Dwivedi D N Managerial Economics (9e; Vikas Publishing House Pvt Ltd)

	Profit maximization: total revenue-total cost approach and marginal revenue-marginal cost approach. • Break –even Analysis: Using the TR-TC concepts - case-studies.			Chapter 11
II	**Perfect Competition and Monopoly** • 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	11	Dwivedi D N Managerial Economics (9e; Vikas Publishing House Pvt Ltd) Chapters 13, 14 and 15
III	**Monopolistic Competition and Oligopoly** • 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.		12	Dwivedi D N Managerial Economics (9e; Vikas Publishing House Pvt Ltd) Chapters 16, 17 and 18
IV	**Pricing Practices and Capital Budgeting**	Class room lectures	10	Dwivedi D N

- Price discrimination: meaning, conditions for profitable price discrimination, degrees of price discrimination, dumping as a special case of price discrimination. Peak –load pricing – Two-part tariff. - Average cost (full cost/mark-up) pricing and Marginal cost pricing methods for natural/public monopolies. **Capital Budgeting and Investment under certainty:** Meaning and Importance- Investment Criteria: Pay Back Period Method, Net Present Value Method, and Internal Rate of Return Method - Case Studies.	Managerial Economics (9e; Vikas Publishing House Pvt Ltd) Chapters 20 and 21

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

Courses carrying 3 or 4 credits shall be evaluated for total of 100 marks, which means 60 marks Semester End Examination and 40 marks for Internal Continuous Assessment.

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a. For Internal Continuous Assessment, there shall be three tests of 10 marks each held at regular intervals during the semester. These tests may be conducted either in online mode or as a pen paper test. Total of marks obtained at best of two out of three tests shall be considered as final marks.
The other component for 20 marks shall be chosen by the department. This can be a project/ assignment/ field study/ seminar/group discussion and so on.

b. For Semester End Examination, the question paper pattern shall be as follows:

Maximum Marks: 60

Duration: Two hours

All questions are compulsory. There will be 4 questions carrying 15 marks each.

Q. 1 Answer any two out of three (Module 1)   (15 marks)

Q. 2 Answer any two out of three (Module 2)   (15 marks)

Q. 3 Answer any two out of three (Module 3).   (15 marks)

Q. 4 Answer any two out of three (Module 4)   (15 marks)

Note: 1or 2 sub questions (upto15 marks) will be application-based questions/case study