

PROGRAM	Bachelors Of Commerce / Bachelors Of Commerce(Hons)
SEMESTER	VI
COURSE TITLE	Advanced Economic Theory –II
COURSE CODE	04BC0681
COURSE CREDITS	04
COURSE DURATION	48 Hrs (48 sessions of 60 minutes each)

COURSE OUTCOMES:

- Demonstrate an understanding, usage and application of basic economic principles.
- Describe and apply the methods for analysing consumer behaviour through demand and supply, elasticity and marginal utility.
- To analyse the behavioural patterns of different economic agents regarding profit, price, cost etc.
- The decision-making process in different market situations such as perfect competition, monopolistic competition, monopoly and oligopoly markets.
- To deal with the advance theoretical issues and their practical applications of distribution theories and general equilibrium, economic efficiency and market failure

Teaching and Examination Scheme

Teaching Scheme (Hours)			Credits	Internal Marks (50%)		End-Semester Examination (50%)			Total Marks
Theory	Tutorial	Practical		IA	CSE	Theory	Practical/Viva	Term Work (TW)	
4	0	0	4	30	20	50	0	0	100

COURSE CONTENTS:

Unit No	Unit / Sub Unit	Sessions
I	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; 11 remedies for monopoly: Antitrust laws, natural monopoly.	10
II	Consumer and Producer Theory -I Consumer and Producer Theory in Action Externalities, marginal cost pricing, internalising externalities, public goods; imperfect information: adverse selection, moral hazard, social choice, government inefficiency.	10

III	Consumer and Producer Theory -II Markets and Market Failure Market adjustment: Changes in demand, efficiency of perfect competition; sources of market failure: imperfect markets, public goods, externalities, imperfect information; evaluating the market mechanism.	10
IV	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.	10
V	International Trade: Absolute advantage, comparative advantage, terms of trade, sources of comparative advantage, trade barriers, free trade/ protectionism.	08

SUGGESTED READINGS:
Text Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition and Year
T-01	Ahuja ,H.L	Advanced Economic Theory	S.Chand & Company	17 th Revised Edition 2013

Reference Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition and Year
R-01	Stonier,A.W & Hague.Douglas.C	A Text Book of Economic Theory”	Pearson	2003)(5thed)
R-02	Lipsey,Richard &Chrystal,Alec	Economics	Oxford University Press Publications New Delhi.	International 13 th Edition
R-03	A Koutsoyiannis	Modern Microeconomics	Macmillan	2 nd Edition,2008
R-04	Salvatore, Dominic	Principles of Microeconomics	Oxford University Press Publications, New Delhi.	2010