Semester	III
Paper Number	HECCR3051T
Paper Title	INTERMEDIATE MICROECONOMICS - I
No. of Credits	6
Theory/Composite	Theory
No. of periods assigned	5 Theory + 1 Tutorial
Course description/objective	The course is designed to provide a sound training in microeconomic theory to formally analyze the behaviour of individual agents. Since students are already familiar with the quantitative techniques in the previous semesters, mathematical tools are used to facilitate understanding of the basic concepts. This course looks at the behaviour of the consumer and the producer and also covers the behaviour of a competitive firm.
Syllabus	**Module 1 (40 marks)** **1. Consumer Theory** Preference; utility; budget constraint; choice; demand; Slutsky equation; buying and selling; choice under risk and intertemporal choice; revealed preference. **2. Production and Costs** Technology; isoquants; production with one and more variable inputs; returns to scale; short run and long run costs; cost curves in the short run and long run. **Number of Classes per week: 3** **Module 2 (40 marks)** **3. Perfect Competition** Review of perfect competition-firm and industry equilibrium. **4. Input Market in Perfect Competition** ; derived demand for input, marginal product and marginal revenue product, input demand for competitive firm and competitive industry, returns to scale and product exhaustion. **Number of Classes per week: 2** **Tutorial Classes per week: 1**
Readings	1. Hal R. Varian, *Intermediate Microeconomics, a Modern Approach*, W.W. Norton and Company/Affiliated East-West Press (India), 8th edition, 2010. The workbook by Varian and Bergstrom may be used for problems. 2. C. Snyder and W. Nicholson, *Fundamentals o f Microeconomics,* Cengage Learning (India), 2010. 3. B. Douglas Bernheim and Michael D. Whinston, *Microeconomics,* Tata McGraw-Hill (India), 2009. 4. Hugh Gravelle and Ray Rees. *Microeconomics,* Printice Hall(UK); 3rd Edition, 2004. 5. Anindya Sen, Microeconomics: *Theory and Applications*, Oxford University Press. 6. Pindyck, Rubinfeld & Mehta, *Microeconomics*, Pearson.
Evaluation	Continuous Internal Assessment: 20 marks End- Semester Theory Examination: 80 marks

Paper Structure for End Sem Theory	Module	No. of Questions to be Answered	No. of Alternatives	Marks
	Module 1	2	3	5 x 2 = 10
		2	3	15 x 2 = 30
	Module 2	2	3	5 x 2 = 10
		2	3	15 x 2 = 30
	Total Marks			80