

**ST. JOSEPH'S COLLEGE FOR WOMEN (AUTONOMOUS), VISAKHAPATNAM  
ECONOMICS**

**Semester- II**

**5hr/week**

**Ec**

**Marks: 100**

**w. e. f. 2017-18 AE Batch**

**Paper – II**

**Micro Economics -II Production and Price Theory**

**Objectives:**

- To enable the students to acquire basic knowledge of micro economics.
- Understand the behavior of both the consumers and producers.
- Apply the economic concepts to real life situations.

**Module I**

Production function-Concept of homogeneous production function-Cobb- Douglas Production function- Law of variable proportions-Law of Returns to Scale - Different Concepts of Costs – Explicit & Implicit, Opportunity, Total – fixed and Variable Costs, Marginal & Average Costs & its Relationship. Concept of Revenue – Total, Marginal & Average Revenue and Break – Even Point

**Module II**

Analyse different types of Market structures - Perfect Competition - Price determination and equilibrium of firm and industry under perfect competition - Monopoly - Price determination - Price discrimination.

**Module III**

Monopolistic competition - price determination - Oligopoly - Kinked demand curve approach.

**Module IV**

Marginal Productivity theory of distribution - Theories of wage determination Subsistence theory of wages, Standard of living theory of wages, Modern theory of wages Wages and collective bargaining - concept of minimum wage

**Module V**

Theory of Rent: Ricardian theory of rent - Quasi rent concept of Alfred Marshall. Theories of Interest - Classical, Neo-classical and Keynes Liquidity Preference theory - Profit - dynamic, innovations, Risk and Uncertainty theories.

**REFERENCES:**

1. R.G. Lipsey and K.A.Chrysal - "Economics", Oxford University Press, 10/e, 2004.
2. P.A.Samuelson & W.D. Nordhaus-"Economics", Tata Mc.Graw Hill, 18/e, 2005.
3. N.Gregory Mankiw-"Principles of Economics", Thompson 2015.
4. H.L.Ahuja-"Advanced Economic Theory" S.Chand, 2004.
5. M.L.Seth-"Micro Economics", Laxmi Narayana Agarwal, 2015.
6. Bilas, A.-"Micro Economic Theory", International Student Edition, Mc.Graw Hill, 1971.
7. Telugu Academy Publications
8. D.M. Mithani & G.K. Murty - Business Economics, Himalaya Publishing, 2015.
9. Bilas, A.-"Micro Economic Theory", International Student Edition, Mc.Graw Hill, 1971.